

AVVISO n.18045	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto : BNP PARIBAS ARBITRAGE ISSUANCE
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	2 Athena Relax Certificates su Azioni		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

2 Athena Relax Certificates su Azioni

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo
Modalità di negoziazione:	La data di negoziazione ex-diritto al pagamento dell'importo periodico decorre dal secondo giorno di mercato aperto antecedente le rispettive record date.

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "2 Athena Relax Certificates su Azioni" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Secondo Strike	Bonus/Strike %	Livello Iniziale
1	NL0010220695	P20695	738415	BPAADIDASCCXP61,11AE310715	ADIDAS	61,11	31/07/15	100	200000	1	25	33,6105	100	61,11
2	NL0010220786	P20786	738416	BPADTPOCCXP14,64AE310715	Deutsche Post	14,64	31/07/15	100	200000	1	25	8,052	100	14,64

FINAL TERMS DATED 2 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

Up to 500,000 EUR "Athena Relax " Certificates relating to Adidas A.G. Shares due 7 August 2015

ISIN Code: NL0010220695

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

The Securities are offered to the public in the Republic of Italy from 2 July 2012 to 31 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus

Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets' (Autoriteit Financiële Markten - AFM) website www.afm.nl, and copies of these documents and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperito 5, 20123 Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN Code	Common Code	Issue Price per Security	Redemption Date
CE671MAV	Up to 500,000	Up to 500,000	NL0010220695	079922943	EUR 100	7 August 2015

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas.
3. **Trade Date:** 31 July 2012.
4. **Issue Date:** 7 August 2012.
5. **Consolidation:** Not applicable.
6. **Type of Securities:**
 - (a) Certificates.
 - (b) The Securities are Share Securities.

The Certificates are "**Athena Relax**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 31 July 2015, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 2 (*Additional Terms and Conditions for Share Securities*) shall apply.

7. **Form of Securities:** Italian Dematerialised Securities.

8.	Business Day Centre(s):	The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9.	Settlement:	Settlement will be by way of cash payment (Cash Settled Securities).
10.	Variation of Settlement:	The Issuer does not have the option to vary settlement in respect of the Securities.
11.	Relevant Asset(s):	Not applicable.
12.	Entitlement:	Not applicable.
13.	Exchange Rate:	Not applicable.
14.	Settlement Currency:	The settlement currency for the payment of the Cash Settlement Amount is Euro ("EUR").
15.	Syndication:	The Securities will be distributed on a non-syndicated basis.
16.	Minimum Trading Size:	The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
17.	Principal Security Agent:	BNP Paribas Securities Services, Milan Branch.
18.	Registrar:	Not applicable.
19.	Calculation Agent:	BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France.
20.	Governing law:	English law.
21.	Special conditions or other modifications to the Terms and Conditions:	Minimum exercise number of Securities: The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is P20695

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) :

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

ANNEX 2 (Additional Terms and Conditions for Share Securities)

The following sentence shall be deemed to be added at the end of Paragraph (3) (Potential Adjustment Events) :

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

The following shall be deemed to be deleted from Paragraph (4) (2), (d) (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

PRODUCT SPECIFIC PROVISIONS

22.	Index Securities:	Not applicable.
23.	Share Securities:	Applicable.
	(a) Share(s)/ Share Company/Basket Company/GDR/ADR:	An ordinary share in the share capital of Adidas (the " Share Company "), (ISIN Code: DE000A1EWWW0/ Reuters Code:

ADSGn.DE/ Bloomberg Code: ADS GY <Equity>) (the **"Underlying Share"**).

For the purposes of the Conditions, the Underlying Share shall be deemed to be the Share.

(b) Relative Performance Basket:	Not applicable.
(c) Share Currency:	EUR.
(d) Exchange(s):	XETRA
(e) Related Exchange(s):	All Exchanges.
(f) Exchange Business Day:	Single Share Basis.
(g) Scheduled Trading Day:	Single Share Basis.
(h) Weighting:	Not applicable.
(i) Settlement Price:	The Settlement Price will be calculated on the basis of the official closing price of the Underlying Share, as determined and published by the Exchange.
(j) Disrupted Day:	If any Automatic Early Redemption Valuation Date _i or the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Share Security Condition 1.
(k) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
(l) Valuation Time:	The Valuation Time will be the time when the official closing price of the Underlying Share is determined by the Exchange.
(m) Delayed Redemption on Occurrence of an Extraordinary Event:	Not applicable.
(n) Share Correction Period:	As per Conditions.
(o) Dividend Payment:	Not applicable.
(p) Listing Change:	Not applicable.
(q) Listing Suspension:	Not applicable.
(r) Illiquidity:	Not applicable.
(s) Tender Offer:	Applicable.
(t) Other terms or special conditions:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.
26. Commodity Securities:	Not applicable.

27.	Inflation Index Securities:	Not applicable.
28.	Currency Securities:	Not applicable.
29.	Fund Securities:	Not applicable.
30.	Market Access Securities:	Not applicable.
31.	Futures Securities:	Not applicable.
32.	Credit Securities:	Not applicable.
33.	Preference Share Certificates:	Not applicable.
34.	OET Certificates:	Not applicable.
35.	Additional Disruption Events:	Applicable.
		Hedging Disruption does not apply to the Securities.
36.	Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities:
		Insolvency Filing
		(b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event:
		Not applicable.
37.	Knock-in Event:	Not applicable.
38.	Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39.	Provisions relating to Warrants:	Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40.	Provisions relating to Certificates:	Applicable.
(a)	Notional Amount of each Certificate:	EUR 100.
(b)	Partly Paid Certificates:	The Certificates are not Partly Paid Certificates.
(c)	Interest:	Not applicable.
(d)	Fixed Rate Provisions:	Not applicable.
(e)	Floating Rate Provisions	Not applicable.
(f)	Linked Interest Certificates:	Not applicable.
(g)	Payment of Premium Amount(s):	Applicable.
	(i) Premium Amount (s):	EUR 5.25 per Certificate.

(ii) Linked Premium Amount Certificates:	Not applicable.
(iii) Premium Amount Payment Date(s):	12 August 2013; provided that if the Premium Amount Payment Date would otherwise fall on a day which is not a Business Day, the Premium Amount Payment Date shall be postponed to the next day which is a Business Day. <i>For the avoidance of doubt, each Security pays the Premium Amount on the Premium Amount Payment Date provided however that no Automatic Early Redemption (as specified in PART-A § 40(t) below) has occurred on 31 July 2013. If such Automatic Early Redemption has occurred on such date, no Premium Amount will be paid on the Premium Amount Payment Date.</i>
(iv) Premium Amount Record Date(s):	6 August 2013; provided that if the Premium Amount Record Date would otherwise fall on a day which is not a Business Day, the Premium Amount Record Date shall be postponed to the next day which is a Business Day.
(h) Index Linked Interest Certificates:	Not applicable.
(i) Share Linked Interest Certificates:	Not applicable.
(j) ETI Linked Interest Certificates:	Not applicable.
(k) Debt Linked Interest Certificates:	Not applicable.
(l) Commodity Linked Interest Certificates:	Not applicable.
(m) Inflation Index Linked Interest Certificates:	Not applicable.
(n) Currency Linked Interest Certificates:	Not applicable.
(o) Fund Linked Interest Certificates:	Not applicable.
(p) Futures Linked Interest Certificates:	Not applicable.
(q) Instalment Certificates:	The Certificates are not Instalment Certificates.
(r) Issuer Call Option:	Not applicable.
(s) Holder Put Option:	Not applicable.
(t) Automatic Early Redemption:	Applicable.

If on the Automatic Early Redemption Valuation Date_i indicated in the table below, the official closing price of the Underlying Share is greater than or equal to its Automatic Early Redemption Level_i, the Certificate will be automatically early redeemed and the Holder will receive, on the Automatic Early Redemption Date_i, payment of Automatic Early Redemption Amount_i as set out in the table below:

i	Automatic Early Redemption Valuation Date _i	Automatic Early Redemption Level _i	Automatic Early Redemption Amount _i	Automatic Early Redemption Date _i
1	31 July 2013	100% * Share _{Initial}	EUR 105.25	12 August 2013
2	31 July 2014	100% * Share _{Initial}	EUR 110.00	12 August 2014

- (i) Automatic Early Redemption Amount: See table above.
- (ii) Automatic Early Redemption Date(s): See table above.
- (iii) Automatic Early Redemption Level: See table above.
- (iv) Automatic Early Redemption Rate: Not applicable.
- (v) Automatic Early Redemption Valuation Date(s): See table above.
- (u) Cash Settlement Amount: Unless previously redeemed or purchased and cancelled by the Issuer, each Certificate will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Share_{Final}** is greater than or equal to **Share_{Initial}**:

$$N \times [100\% + 15\%]$$

2) If, on the Redemption Valuation Date, **Share_{Final}** is less than **Share_{Initial}** and greater than or equal to the **Barrier Level**:

$$N \times 100\%$$

3) Otherwise:

$$N \times \left(\frac{\text{Share}_{\text{Final}}}{\text{Share}_{\text{Initial}}} \right)$$

Where:

N is the Notional Amount of each Certificate as specified in § 40 (a);

Share_{Initial} is the official closing price of the Underlying Share on the Strike Date;

Share_{Final} is the official closing price of the Underlying Share on the Redemption Valuation Date;

Barrier Level is 55% x **Share_{Initial}**.

Pursuant the Rules of the markets organised and managed by

Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in § 40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v)	Renouncement Notice Cut-off Time	5.00 p.m. (Milan Time) on the Scheduled Trading Day following the Exercise Date.
(w)	Strike Date:	31 July 2012 .
(x)	Redemption Valuation Date:	The Exercise Date.
(y)	Averaging:	Averaging does not apply to the Certificates.
(z)	Observation Dates:	Not applicable.
(aa)	Observation Period:	Not applicable.
(bb).	Settlement Business Day:	Not applicable.
(cc)	Cut-off Date:	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41.	Selling Restrictions:	As described in the Base Prospectus.
(a)	Eligibility for sale of Securities in the United States to AIs:	The Securities are not eligible for sale in the United States to AIs.
(b)	Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A:	The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
(c)	Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs	The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.

within the meaning of the
Investment Company Act:

42. Additional U.S. Federal income tax consequences: Not applicable.
43. Registered broker/dealer: Not applicable.
44. Non exempt Offer: An offer of the Securities will be made through **Banca Nazionale del Lavoro S.p.A.** (the "**Distributor**", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "**Public Offer Jurisdiction**") during the period from **2 July 2012 until 31 July 2012** during the hours in which the banks are open for business in the Republic of Italy (the "**Offer Period**").

See further Paragraph 8 of Part B below

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. Collateral Security Conditions: Not applicable.

Purposes of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:



By: ..Cezar NASTASA.. Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading:

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 1.00% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 50,000,000

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).

Estimated total expenses: EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The “**Athena Relax**” Security is a EUR denominated Security with a 3 year maturity that pays the Premium Amount on the Premium Amount Payment Date, as described in Part A § 40 (g).

This Security may be automatically early redeemed pursuant to the provisions in Part A § 40 (t).

If not automatically early redeemed, this Security offers to the investor the opportunity to receive a Cash Settlement Amount calculated according to the provisions in Part A § 40 (u).

The Securities are not capital protected. The investors benefit from a capital protection if the official closing price of the Underlying Share is greater than or equal to the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Details of historic performance of the Underlying Share can be obtained from Reuters.

Name of the issuer of the underlying security:

Adidas AG

Adidas AG manufactures sports shoes and sports equipment. The Company produces products that include footwear, sports apparel, and golf clubs and balls. Adidas sells its products worldwide

Address

Adi-Dassler-Strasse 1-2
D-91074 Herzogenaurach
Germany

Website: www.adidas-group.com

ISIN Code of the underlying:

See Part A § 23 (a).

Source of information relating to the Underlying

Past and future performances and volatility of the Shares are also notably available on Bloomberg page set out in Part A §23(a) and on the website of the Exchange where the share is listed.

Post-Issuance information

The Issuer does not intend to provide post-issuance

information.

7. Operational Information

Relevant Clearing System(s): Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period: From 2 July 2012 to 31 July 2012.
Offer Price: The Issue Price (of which a maximum annual amount of 1.00% is represented by commissions payable to the Distributor(s)).
Conditions to which the offer is subject: The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process: From 2 July 2012 to, and including, 31 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the offices of the Distributor(s) and, subject to availability, through the trading-online platform. The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application: Minimum subscription amount per investor: EUR 100.

Maximum subscription amount per investor: 500,000 *
Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The

	Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.
	In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not applicable.
Details of the method and time limits for paying up and delivering the Securities:	The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys.
	The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.
Manner in and date on which results of the offer are to be made public:	Publication by loading the following link (http://www.prodottidiborsa.com) in each case on or around the Issue Date.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not applicable.
Categories of potential investors to which the Securities are offered:	Offers will be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
	Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary.
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period.
	No dealings in the Securities may take place prior to the Issue Date.

Amount of any expenses and taxes specifically charges to the subscriber or purchaser: The Issuer is not aware of any expenses and taxes specifically charged to the subscriber.

For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price".

For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place: Not applicable.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: Not applicable.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): BNP Paribas Securities Services, Milan Branch
Via Ansperto 5, 20123 Milano, Italy.

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: The placement activity will be carried out by:
Banca Nazionale del Lavoro S.p.A.
Via V. Veneto, 119
00187 Rome, Italy.

(the **Distributor**)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached: Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE

(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

Up to 500,000 EUR "Athena Relax " Certificates relating to Adidas A.G. Shares due 7 August 2015

ISIN Code: NL0010220695

(the Securities)

To: BNP Paribas Securities Services, Milan Branch

Via Ansperto 5, 20123 Milano, Italy

Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities:

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder:

Name of beneficial owner of the Securities:

Signature:

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital

gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Di seguito è riportato in lingua italiana il contenuto dei *Final Terms* (cd. Condizioni Definitive), applicabili agli strumenti finanziari di seguito individuati, fermo restando che (i) il testo di lingua inglese prevarrà in caso di eventuale divergenza con, od omissioni nella, presente traduzione, (ii) ai sensi della vigente normativa applicabile in materia di prospetti, non sussiste alcun obbligo di effettuare, ovvero consegnare, la presente ai potenziali investitori, né di trasmetterla ad alcuna autorità, (iii) la presente traduzione è effettuata esclusivamente al fine di agevolare la lettura da parte dei potenziali investitori del testo in lingua inglese dei *Final Terms* redatto ai sensi dell'Articolo 5.4 della Direttiva Prospetti (come di seguito definita), e, in tal senso, (iv) i potenziali investitori sono invitati, ai fini di avere una informativa completa sull'Emittente e sull'offerta degli strumenti finanziari, di seguito individuati, a leggere attentamente le informazioni contenute nei *Final Terms* e nel Prospetto di Base ed in ogni relativo supplemento e documentazione di offerta di seguito individuata.

CONDIZIONI DEFINITIVE DATATE 2 luglio 2012

BNP Paribas Arbitrage Issuance B.V.

(società di diritto olandese)

(in qualità di Emittente)

BNP Paribas

(società di diritto francese)

(in qualità di Garante)

Programma di Warrant e Certificate

Fino a 500.000 Certificates EUR "Athena Relax " legati ad Azioni Adidas AG

con data di liquidazione 7 agosto 2015

Codice ISIN: NL0010220695

BNP Paribas Arbitrage S.N.C.

(in qualità di Manager)

I Titoli sono offerti al pubblico in Italia dal 2 luglio 2012 al 31 luglio 2012

Il Prospetto di Base a cui si fa riferimento di seguito (come completato dalle presenti Condizioni Definitive) è stato predisposto sulla base del fatto che, fatta eccezione per quanto previsto al seguente sotto-paragrafo (ii), ogni offerta di Titoli in qualsiasi Stato Membro dello Spazio Economico Europeo che ha attuato la Direttiva Prospetti (ciascuno, uno "**Stato Membro Rilevante**") sarà effettuata ai sensi di una esenzione prevista dalla Direttiva Prospetti, come attuata in tale Stato Membro Rilevante, dall'obbligo di pubblicare un prospetto per l'offerta dei Titoli. Pertanto, ogni persona che promuova o che intenda promuovere un'offerta dei Titoli può farlo esclusivamente:

- (i) in circostanze in cui non sorge l'obbligo per l'Emittente o per qualsiasi Manager di pubblicare un prospetto ai sensi dell'Articolo 3 della Direttiva Prospetti o di supplementare un prospetto ai sensi dell'Articolo 16 della Direttiva Prospetti, in ciascun caso, in relazione a tale offerta; o
- (ii) in quelle giurisdizioni indicate al Paragrafo 44 della Parte A che segue, posto che tale persona sia una delle persone indicate nel Paragrafo 44 della Parte A che segue e che tale offerta sia promossa durante il Periodo di Offerta ivi indicato.

Né l'Emittente né alcuno dei Manager ha autorizzato, né autorizza, lo svolgimento di alcuna offerta di Titoli in alcuna altra circostanza.

Il termine "**Direttiva Prospetti**" indica la Direttiva 2003/71/CE (e le relative modifiche alla stessa, inclusa la Direttiva di Modifica della Direttiva Prospetti del 2010, nella misura in cui è stata attuata nello Stato Membro Rilevante), ed include ciascuna relativa misura di recepimento nello Stato Membro Rilevante ed il termine **Direttiva di Modifica della Direttiva Prospetti del 2010** si riferisce alla Direttiva 2010/73/UE.

Gli investitori dovrebbero considerare che, ove un supplemento al, o una versione aggiornata del, Prospetto di Base menzionato di seguito sia pubblicato in qualsiasi momento durante il Periodo di Offerta (come di seguito definito), tale supplemento o Prospetto di Base aggiornato, a seconda del caso, sarà pubblicato e reso disponibile con le medesime modalità adottate per la pubblicazione delle presenti Condizioni Definitive. Qualsiasi investitore che abbia aderito all'Offerta (come di seguito definita) prima della data di pubblicazione di tale supplemento o versione aggiornata del Prospetto di Base, a seconda del caso, (la "**Data di Pubblicazione** ") ha il diritto entro due giorni lavorativi dalla Data di Pubblicazione di revocare la propria adesione.

PARTE A – CONDIZIONI CONTRATTUALI

I termini utilizzati nel presente documento sono definiti ai fini delle Condizioni di cui al Prospetto di Base datato 1 giugno 2012 che costituisce un prospetto di base ai sensi della Direttiva 2003/71/CE (la **Direttiva Prospetti**) come modificata (comprese le modifiche apportate dalla Direttiva 2010/73/UE (la **Direttiva del 2010 di Modifica della Direttiva Prospetti**) nella misura in cui tali modifiche siano state attuate in uno Stato Membro rilevante). Il Prospetto di Base datato 1 giugno 2012 è stato passaportato in Italia in conformità all'Articolo 18 della Direttiva Prospetti. Il presente documento costituisce le Condizioni Definitive dei Titoli qui descritti ai fini dell'Articolo 5.4 della Direttiva Prospetti e va letto unitamente al Prospetto di Base. L'informativa completa su BNP Paribas Arbitrage Issuance B.V. (l'**Emittente**), nonché sull'offerta dei Titoli è ricavabile solo sulla base della consultazione congiunta delle presenti Condizioni Definitive e del Prospetto di Base. Il Prospetto di Base è disponibile per la consultazione presso il sito internet dell'Autorità Olandese per i Mercati Finanziari (**Autoriteit Financiële Markten - AFM**) www.afm.nl, e copie di tali documenti e delle Condizioni Definitive possono essere ottenute gratuitamente presso BNP Paribas Securities Services, Succursale di Milano, Via Ansperto 5, 20123 Milano, Italia.

Nel presente documento, qualsiasi riferimento numerico alle Condizioni è fatto al regolamento della rilevante serie di Titoli e i termini e le espressioni definiti nel predetto regolamento avranno lo stesso significato nelle presenti Condizioni Definitive, in quanto si riferiscano ai medesimi Titoli e salvo ove diversamente ed espressamente specificato.

Le presenti Condizioni Definitive riguardano la serie di Titoli indicata al paragrafo "Disposizioni Generali relative ad ogni Serie" che segue. Nel presente documento, con "**Titoli**" si intende fare riferimento ai Titoli oggetto delle presenti Condizioni Definitive. Pertanto, ogni riferimento a "**Titolo**" deve essere interpretato di conseguenza.

Numero di serie	N. di Titoli emessi	N. di Titoli	Codice ISIN	Common Code	Prezzo di emissione per Certificate	Data di Liquidazione:
CE671MAV	Fino a 500.000	Fino a 500.000	NL0010220695	079922943	EUR 100	7 agosto 2015

La Data di Liquidazione sarà soggetta a rettifiche ai sensi della *Following Business Day Convention*.

DISPOSIZIONI GENERALI

Ad ogni Serie di Titoli si applicano le seguenti condizioni:

1. Emittente: BNP Paribas Arbitrage Issuance B.V.
2. Garante: BNP Paribas
3. Data di *Trade*: 31 luglio 2012
4. Data di Emissione: 7 agosto 2012
5. Consolidamento: Non applicabile.
6. Tipo di Titoli:

(a) *Certificates*.

(b) I Titoli sono Titoli legati ad Azioni.

I *Certificates* sono *Certificates* Euro “*Athena Relax*”.

L'Esercizio Automatico si applica alla Data di Esercizio.

La **Data di Esercizio** è il 31 luglio 2015, qualora tale giorno non sia un Giorno Lavorativo, il Giorno Lavorativo immediatamente successivo.

Alla Data di Esercizio si applicheranno i medesimi aggiustamenti applicabili alla Data di Valutazione della Liquidazione. Ai fini di Borsa Italiana, la Data di Esercizio deve considerarsi la data di scadenza dei Titoli, ovvero la data in cui i Titoli scadono.

Si applicano le previsioni dell'*Annex 2 (Ulteriori termini e condizioni per Titoli legati ad Azioni)*.

7. Forma dei Titoli: Titoli italiani dematerializzati.
8. Centro(i) del Giorno Lavorativo (*Business Day Center*): Il Centro del Giorno Lavorativo applicabile ai fini della definizione di "Giorno Lavorativo" di cui alla Condizione 1 è TARGET2.
9. Liquidazione: La liquidazione avverrà mediante pagamento in contanti (**Titoli con liquidazione in contanti**).
10. Variazione della modalità di Liquidazione: L'Emittente non ha la possibilità di variare la liquidazione con riferimento ai Titoli.
11. Asset(s) Rilevanti: Non applicabile.
12. *Entitlement*: Non applicabile.
13. Tasso di Cambio: Non applicabile.
14. Valuta di Liquidazione: La valuta di liquidazione per il pagamento dell'Importo di Liquidazione in Contanti è l'Euro ("**EUR**").
15. Sindacazione: I Titoli saranno distribuiti su base non sindacata.
16. Taglio Minimo di Negoziazione: Il taglio minimo di negoziazione sarà stabilito dalla Borsa Italiana con

- l'avviso che comunica il primo giorno di negoziazioni.
- | | | |
|-----|--|--|
| 17. | Agente Principale per i Titoli: | BNP Paribas Securities Services, Succursale di Milano. |
| 18. | Registro: | Non applicabile. |
| 19. | Agente di Calcolo | BNP Paribas Arbitrage S.N.C.

8 rue de Sofia, 75018 Parigi, Francia. |
| 20. | Legge Applicabile: | Legge inglese. |
| 21. | Condizioni speciali o altre modifiche al Regolamento | Lotto minimo di esercizio dei Titoli: il numero minimo di Titoli che possono essere esercitati dal Titolare è (1) un Titolo, e multipli di (1) un Titolo. |

Il **Codice di Negoziazione** di Borsa Italiana è **P20695**

Condizione 6 (Previsioni Generali)

Quanto segue si intenderà aggiunto alla fine del primo paragrafo della Condizione 6 (Previsioni Generali):

“a meno che tali errori od omissioni siano dovuti al proprio dolo o colpa grave”.

Condizione 7 (Illegalità e Forza Maggiore):

Quanto segue si intenderà eliminato dalla Condizione 7.1 (Illegalità):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Quanto segue si intenderà eliminato dalla Condizione 7.2 (Forza Maggiore):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Condizione 13 (Sostituzione dell’Emittente o del Garante)

La Condizione 13(2) si intenderà eliminata e sostituita da quanto segue:

“Ove l’Emittente sia BNPP B.V., BNP o ogni società che l’abbia precedentemente sostituita, nella propria qualità di garante, non potrà essere sostituita da alcun diverso soggetto”.

Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali)

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (i):

"meno il costo per l'Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti (salvo ove diversamente previsto nelle Condizioni Definitive rilevanti)".

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (ii):

"meno il costo per l'Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti".

Quanto segue si intenderà aggiunto al termine della Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

ALLEGATO 2 (Ulteriori Termini e Condizioni per Titoli legati ad Azioni)

Quanto segue si intenderà aggiunto al termine del Paragrafo (3) (Potenziali Eventi di Rettifica):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

Quanto segue si intenderà eliminato dal Paragrafo (4) (2), (d) (i) e (ii):

"meno il costo per l'Emittente e/o le sue affiliate della risoluzione di eventuali relativi accordi di copertura sottostanti".

DISPOSIZIONI SPECIFICHE PER IL PRODOTTO

22.	Titoli legati ad Indici:	Non applicabile.
23.	Titoli legati ad Azioni:	Applicabile.
	(a) Azione(i)/Società dell'Azione/Società del Paniere /GDR/ADR:	Un'azione ordinaria nel capitale azionario di Adidas AG (la Società dell'Azione) (Codice Isin: DE000A1EWWW0/ Codice Reuters AD SGn.DE/ Codice Bloomberg: ADS GY <Equity> (l'" Azione Sottostante ")). Ai fini di queste Condizioni, l'Azione Sottostante deve essere

		considerata un'Azione.
	(b) Performance Relativa del Paniere:	Non applicabile.
	(c) Valuta dell'Azione:	Euro.
	(d) Borsa(e):	Xetra
	(e) Borsa(e) Correlata(e):	Tutte le Borse.
	(f) Giorno Lavorativo di Borsa:	<i>Single Share Basis.</i>
	(g) Giorno di Negoziazione Programmato:	<i>Single Share Basis.</i>
	(h) Ponderazione:	Non applicabile.
	(i) Prezzo di Liquidazione:	Il Prezzo di Liquidazione verrà calcolato sulla base del prezzo di chiusura ufficiale dell'Azione, come calcolato e pubblicato dalla Borsa.
	(j) Giorno di Turbativa:	Se una Data di Valutazione della Liquidazione Anticipata Automatica, o la Data di Valutazione della Liquidazione è un Giorno di Turbativa, il Prezzo di Liquidazione sarà calcolato sulla base delle previsioni di cui alla Condizione per Titoli legati ad Azioni 1.
	(k) Numero Massimo di Giorni di Turbativa:	Tre (3) Giorni di Negoziazione Programmati.
	(l) Ora di Valutazione:	L'Ora di Valutazione è l'ora in cui il Prezzo di Chiusura ufficiale dell'Azione è determinato dalla Borsa.
	(m) Liquidazione Ritardata al Verificarsi di Eventi di Rettifica:	Non applicabile.
	(n) Periodo di Correzione dell'Azione:	Come da Condizioni.
	(o) Pagamento dei dividendi:	Non applicabile.
	(p) Modifica di quotazione:	Non applicabile.
	(q) Sospensione della quotazione:	Non applicabile.
	(r) Illiquidità:	Non applicabile.
	(s) Offerta d'acquisto:	Applicabile.
	(t) Altri termini o condizioni speciali:	Non applicabile.
24.	Titoli legati a ETI:	Non applicabile.
25.	Titoli legati a Strumenti di Debito:	Non applicabile.
26.	Titoli legati a <i>Commodity</i> :	Non applicabile.

27.	Titoli legati a Indici Inflazione:	Non applicabile.
28.	Titoli legati a Valute:	Non applicabile.
29.	Titoli legati a Fondi:	Non applicabile.
30.	Titoli <i>Market Access</i> :	Non applicabile.
31.	Titoli legati a <i>Futures</i> :	Non applicabile.
32.	Titoli legati a Crediti:	Non applicabile.
33.	<i>Preference Share Certificates</i> :	Non applicabile.
34.	<i>OET Certificates</i> :	Non applicabile.
35.	Eventi di Turbativa Aggiuntivi	Applicabile. La Turbativa della Copertura non si applica ai Titoli.
36.	Eventi di Turbativa Aggiuntivi Opzionali:	(a) Ai Titoli si applica il seguente Evento di Turbativa Aggiuntivo Opzionale: Dichiarazione di insolvenza. (b) Liquidazione Ritardata al Verificarsi di un Evento di Turbativa Aggiuntivo e/o di un Evento di Turbativa Aggiuntivo Opzionale: Non applicabile.
37.	Evento <i>Knock-in</i> :	Non applicabile.
38.	Evento <i>Knock-out</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI WARRANTS

39.	Previsioni relative a <i>Warrants</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI CERTIFICATES

40.	Previsioni relative ai <i>Certificates</i> :	Applicabile.
	(a) Importo Nozionale di ogni <i>Certificate</i> :	EUR 100.
	(b) <i>Certificates</i> a pagamento parziale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento parziale.
	(c) Interesse:	Non applicabile.
	(d) Previsioni relative al Tasso	Non applicabile.

Fisso:

(e) Previsioni relative al Tasso Non applicabile.

Variabile:

(f) *Certificates* con Interessi legati Non applicabile.

a Indici:

(g) Pagamento di Importo(i) Premio:	Applicabile.
(i) Importo(i) Premio	5,25 EUR per <i>Certificate</i> .
(ii) <i>Certificates</i> legati all'Importo Premio	Non applicabile.
(iii) Giorno(i) di Pagamento dell'Importo Premio	12 agosto 2013; a condizione che il <i>Giorno di Pagamento dell'Importo Premio</i> sia un giorno che non sia un Giorno Lavorativo, tale <i>Giorno di Pagamento dell'Importo Premio</i> sarà posticipato al giorno successivo che sia un Giorno Lavorativo.
<i>A fini di chiarezza, ciascun Titolo paga l'Importo Premio al Giorno di Pagamento dell'Importo Premio, a condizione che in ogni caso non si sia verificata la Liquidazione Anticipata Automatica (come indicato nella PART-A al § 40(t) che segue) al 31 luglio 2013. Qualora tale Liquidazione Anticipata Automatica si verifichi in tale data, non sarà pagato alcun Importo Premio al Giorno di Pagamento dell'Importo Premio.</i>	
(iv) Giorno(i) di Registrazione dell'Importo Premio	6 agosto 2013; a condizione che il <i>Giorno di Registrazione dell'Importo Premio</i> sia un giorno che non sia un Giorno Lavorativo, tale <i>Giorno di Registrazione dell'Importo Premio</i> sarà posticipato al giorno successivo che sia un Giorno Lavorativo.
(h) <i>Certificates</i> con Interessi legati a Indici:	Non applicabile.
(i) <i>Certificates</i> con Interessi legati ad Azioni:	Non applicabile.
(j) <i>Certificates</i> con Interessi legati a ETI:	Non applicabile.
(k) <i>Certificates</i> con Interessi legati a Strumenti di Debito:	Non applicabile.
(l) <i>Certificates</i> con Interessi legati a <i>Commodity</i> :	Non applicabile.
(m) <i>Certificates</i> con Interessi legati ad Indici di Inflazione:	Non applicabile.
(n) <i>Certificates</i> con Interessi legati a Valute:	Non applicabile.

- (o) *Certificates* con Interessi legati a Fondi: Non applicabile.
- (p) *Certificates* con Interessi legati a *Futures*: Non applicabile.
- (q) *Certificates* a pagamento rateale: I *Certificates* non sono *Certificates* a pagamento rateale.
- (r) Opzione Call dell'Emittente: Non applicabile.
- (s) Opzione Put del Portatore: Non applicabile.
- (t) Liquidazione Anticipata Automatica: Applicabile.

Se, alla Data di Valutazione della Liquidazione Anticipata Automatica_i indicata nella tabella che segue, il prezzo di chiusura ufficiale dell'Azione Sottostante è superiore o pari al Livello di Liquidazione Anticipata Automatica_i, il *Certificate* sarà automaticamente liquidato anticipatamente ed il Titolare riceverà, alla Data di Liquidazione Anticipata Automatica_i, il pagamento dell'Importo di Liquidazione Anticipata Automatica_i, come indicato nella tabella che segue:

i	Data di Valutazione della Liquidazione Anticipata Automatica _i	Livello di Liquidazione Anticipata Automatica _i	Importo di Liquidazione Anticipata Automatica _i	Data di Liquidazione Anticipata Automatica _i
1	31 luglio 2013	100% * Azione _{Iniziale}	EUR 105,25	12 agosto 2013
2	31 luglio 2014	100% * Azione _{Iniziale}	EUR 110,00	12 agosto 2014

- (i) Importo di Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (ii) Data(e) di Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (iii) Livello di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(iv) Tasso della Liquidazione Anticipata Automatica: Non applicabile.

(v) Data(e) di Valutazione della Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(u) Importo di Liquidazione in Contanti:

A condizione che non sia stato precedentemente liquidato o acquistato e cancellato dall'Emittente, ciascun *Certificate* sarà esercitato automaticamente alla Data di Esercizio ed il Titolare riceverà un Importo di Liquidazione in Contanti determinato ai sensi delle seguenti previsioni:

1) Se, alla Data di Valutazione della Liquidazione, **Azione_{Finale}** è maggiore o pari ad **Azione_{Iniziale}** :

$$N \times [100\% + 15\%]$$

2) Se, alla Data di Valutazione della Liquidazione, **Azione_{Finale}** è inferiore al 100% di **Azione_{Iniziale}** ed è maggiore o uguale al **Livello Barriera**:

$$N \times 100\%$$

3) Altrimenti:

$$N \times \frac{\text{Azione}_{\text{Finale}}}{\text{Azione}_{\text{Iniziale}}}$$

dove:

N è l'Importo Nozionale di ciascun *Certificate* (si veda il § 40 (a));

Azione_{Iniziale} è il prezzo di chiusura ufficiale dell'Azione alla Data di *Strike*;

Azione_{Finale} è il prezzo di chiusura ufficiale dell'Azione alla Data di Valutazione della Liquidazione;

Livello Barriera è il 55% di **Azione_{Iniziale}**.

Ai sensi del regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A., ciascun Titolare di Titoli ha la facoltà di notificare all'Emittente la propria rinuncia al diritto al pagamento di tale Importo di Liquidazione in Contanti, tramite consegna all'Agente non più tardi dell'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)) di una

notifica (la “**Notifica di Rinuncia**”, sostanzialmente nella forma di cui alla Parte B delle presenti Condizioni Definitive).

È possibile ottenere copia della Notifica di Rinuncia durante il normale orario lavorativo dall’ufficio specificato dell' Agente per i Titoli.

Qualora non sia ricevuta alcuna Notifica di Rinuncia entro l'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)), l’Importo di Liquidazione in Contanti sarà pagato automaticamente dall’Emittente alla Data di Liquidazione.

Nessuna Notifica di Rinuncia può essere revocata dopo che la stessa sia stata ricevuta dall'Agente. Dopo la consegna di una Notifica di Rinuncia, il relativo Titolare non potrà trasferire i Titoli oggetto della stessa.

(v) Ora di <i>Cut-off</i> della Notifica di Rinuncia:	Le ore 17.00 (Ora di Milano) del Giorno di Negoziazione Programmato successivo alla Data di Esercizio.
(w) Data di <i>Strike</i> :	31 luglio 2012
(x) Data di Valutazione della Liquidazione:	La Data di Esercizio.
(y) <i>Averaging</i> :	L’ <i>Averaging</i> non si applica ai <i>Certificates</i> .
(z) Date di Osservazione:	Non applicabile.
(aa) Periodo di Osservazione:	Non applicabile.
(bb) Giorno Lavorativo di Liquidazione:	Non applicabile.
(cc) Data di <i>Cut-off</i> :	Non applicabile.

DISTRIBUZIONE ED IDONEITA' ALLA VENDITA NEGLI STATI UNITI

41.	Restrizioni alla Vendita:	Come descritte nel Prospetto di Base.
(a)	Idoneità alla vendita dei Titoli negli Stati Uniti ad <i>AI</i> s:	I Titoli non sono idonei alla vendita negli Stati Uniti ad <i>AI</i> s.
(b)	Idoneità alla vendita dei Titoli negli Stati Uniti a <i>Qualified Institutional Buyers (QIBs)</i> come definiti nella <i>Rule 144a</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ai sensi della <i>Rule 144A</i> .
(c)	Idoneità alla vendita dei Titoli negli Stati Uniti a <i>QIBs</i> come definiti nella <i>Rule 144a</i> che sono altresì <i>Qualified Purchasers (QPs)</i> come definiti nell’ <i>Investment Company Act</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ed a <i>QPs</i> .

42.	Conseguenze fiscali aggiuntive ai sensi della legge federale statunitense:	Non applicabile.
43.	<i>Broker/dealer</i> registrato:	Non applicabile.
44.	Offerta non esente:	Un'offerta dei Titoli sarà effettuata tramite Banca Nazionale del Lavoro S.p.A. (il "Collocatore" e, congiuntamente ad ogni altro soggetto cui sarà conferito l'incarico di collocatore con riferimento ai Titoli durante il Periodo di Offerta, i "Collocatori") al di fuori delle ipotesi di cui all'Articolo 3(2) della Direttiva Prospetti in Italia (la Giurisdizione dell'Offerta Pubblica), dal 2 luglio 2012 al 31 luglio 2012, negli orari in cui le banche sono generalmente aperte per la propria attività in Italia (il Periodo di Offerta). Per ulteriori informazioni si veda il Paragrafo 8 della Parte B di seguito.

DISPOSIZIONI RELATIVE AL *COLLATERAL* E ALLA GARANZIA

45.	Condizioni del <i>Collateral Security</i> :	Non applicabile.

Scopo delle Condizioni Definitive

Le presenti Condizioni Definitive ricomprendono le condizioni definitive necessarie per l'emissione, l'offerta pubblica nella Giurisdizione dell'Offerta Pubblica e l'ammissione alla negoziazione presso il *Securitized Derivatives Market* (il "**SeDeX**") organizzato e gestito da Borsa Italiana S.p.A., dei Titoli qui descritti ai sensi del Programma di *Warrant e Certificate* di BNP Paribas, BNP Paribas Arbitrage Issuance B.V.

Responsabilità

L'Emittente si assume la responsabilità per le informazioni contenute nelle presenti Condizioni Definitive. Per quanto a conoscenza dell'Emittente (che ha adottato ogni ragionevole cura per assicurare che questo sia il caso), le informazioni contenute nelle presenti Condizioni Definitive sono conformi ai fatti e non presentano omissioni tali da alterarne il senso. Le informazioni incluse nella Parte B (le **Altre Informazioni**) sono un estratto o un riassunto di informazioni di pubblico dominio sull'Azione. L'Emittente conferma che dette informazioni sono state riprodotte accuratamente e che, per quanto a sua conoscenza e per quanto è in grado di accertare in base alle informazioni pubblicate dalla Società Emittente l'Azione, non sono stati omessi fatti che potrebbero rendere impreciso o fuorviante quanto riprodotto.

Sottoscritto per conto di BNP Paribas Arbitrage Issuance B.V.

In qualità di Emittente:

Da: _____

debitamente autorizzato.

PARTE B – ULTERIORI INFORMAZIONI

1. Quotazione ed Ammissione alla negoziazione

Sarà presentata domanda di quotazione dei Titoli presso la Borsa Valori italiana, nonché di ammissione alla negoziazione dei Titoli oggetto della presente offerta presso il *Securitised Derivatives Market* (il “**SeDeX**”) organizzato e gestito da Borsa Italiana S.p.A.

2. Ratings

I titoli in emissione non sono stati oggetto di *rating*.

Il *rating* assegnato al Garante è A2 da parte di Moody's e AA- da parte di Standard and Poor's.

Come definito da Moody's un giudizio "A" implica che le obbligazioni dell'Emittente e del Garante ai sensi del Programma sono considerate appartenenti al livello medio-alto della scala e il rischio di credito è basso. Ad ogni categoria di rating compresa tra Aaa e Caa Moody's aggiunge i numeri 1, 2 e 3. Il numero 2 indica un posizionamento nella fascia intermedia.

Come definito da Standard and Poor's un'obbligazione con giudizio "AA" si distingue dall'obbligazione con giudizio più alto solo per un grado minimo. La capacità dell'Emittente e del Garante di onorare i propri impegni finanziari sulle obbligazioni è molto forte. L'aggiunta di un più (+) o di un meno (-) indica la relativa posizione all'interno della categoria di rating.

Moody's e Standard & Poor's sono costituite nell'Unione Europea e registrate ai sensi del Regolamento (CE) n. 1060/2009 (come modificato).

3. Fattori di rischio

Come indicato nel Prospetto di Base.

4. Interessi di Persone Fisiche e Giuridiche Coinvolte nell'Offerta

Gli investitori devono considerare che il Collocatore cui è stato conferito l'incarico di collocare i Titoli ai sensi delle presenti Condizioni Definitive, **Banca Nazionale del Lavoro S.p.A.**, appartiene al medesimo Gruppo dell'Emittente, il Gruppo BNP Paribas. In tal senso, gli investitori devono altresì considerare che il/i Collocatore/i riceverà/riceveranno dall'Emittente una commissione di collocamento implicita nel Prezzo di Emissione dei Titoli pari ad un ammontare massimo annuo dell' 1,00% dell'Importo Emesso. Tutte le commissioni di collocamento verranno pagate in anticipo.

Salvo quanto sopra indicato e quanto descritto nel paragrafo "*Fattori di Rischio*" del Prospetto di Base, per quanto a conoscenza dell'Emittente, nessun soggetto coinvolto nell'offerta dei Titoli ha un interesse rilevante nella medesima.

5. Ragioni dell'Offerta, Proventi Netti Stimati e Spese Complessive

Ragioni dell'Offerta:

I proventi netti derivanti dall'emissione dei Titoli diverranno parte dei fondi generali dell'Emittente. Tali proventi potranno essere usati per mantenere posizioni su opzioni o contratti *futures*, ovvero altri strumenti di copertura.

Proventi Netti Stimati:

Fino ad Euro 50.000.000.

A fini di chiarezza, si precisa che i proventi netti stimati riflettono i proventi che l'Emittente riceverà alla Data di Emissione. Non riflettono le commissioni pagabili al/i Collocatore/i.

Spese Nette Stimate:

EUR 3.000 pari alla commissione di quotazione minima nota all'Emittente alla Data di Emissione.

6. Andamento del Sottostante/Formula/Altre Variabili, Spiegazioni circa gli Effetti sul Valore dell'Investimento e Rischi Associati e altre Informazioni relative al Sottostante

Il Titolo "**Athena Relax**" è un Titolo denominato in Euro con scadenza a 3 anni che paga un Importo Premio il Giorno di Pagamento dell'Importo Premio ai sensi delle previsioni di cui alla Parte A § 40 (g).

Il Titolo potrebbe essere liquidato anticipatamente ai sensi delle previsioni di cui alla Parte A § 40 (t).

Se non liquidato anticipatamente, questo Titolo offre all'investitore l'opportunità di ricevere un Importo di Liquidazione in Contanti calcolato ai sensi delle previsioni di cui alla Parte A § 40 (u).

Il Titolo non è a capitale protetto. Gli investitori beneficiano di una protezione del capitale se il prezzo di chiusura ufficiale dell'Azione Sottostante sia superiore o pari al Livello Barriera alla Data di Valutazione della Liquidazione.

Di conseguenza gli investitori dovrebbero essere consapevoli che potrebbero affrontare la perdita parziale o totale del prezzo di acquisto dei loro Titoli.

Durante il periodo di mercato secondario, il prezzo del Titolo dipenderà dalle condizioni di mercato e potrebbe essere soggetto a fluttuazioni significative. Ove i Titoli siano venduti prima della Data di Liquidazione, vi è un'alta probabilità che l'investitore possa subire una perdita del proprio investimento.

Informazioni in merito alla *performance* storica del Sottostante possono essere ottenuti su Reuters.

Nome dell'emittente del titolo sottostante: **Adidas AG**

Adidas AG produce calzature sportive e articoli sportivi. La società produce articoli che includono calzature, abbigliamento sportivo, mazze da golf e palloni. Adidas vende i suoi prodotti a livello mondiale.

Indirizzo:

Adi-Dassler-Strasse 1-2
D-91074 Herzogenaurach

Germania

Sito Internet: www.adidas-group.com

Codice ISIN del sottostante: Si veda la Parte A, §23 (a).

Luogo in cui possono essere ottenute informazioni sul sottostante La *performance* passata e futura e la volatilità delle Azioni sono altresì disponibili sul sito della Società dell'Azione e su Bloomberg.

Informazioni post-emissione: L'Emittente non intende fornire informazioni post-emissione.

7. Informazioni Operative

Sistema di accentramento rilevante: Monte Titoli.

8. Regolamento dell'Offerta Pubblica

Periodo di Offerta: Dal 2 luglio 2012 al 31 luglio 2012.

Prezzo di Offerta: Il Prezzo di Emissione (di cui un ammontare massimo annuo pari al 1,00% è rappresentato da commissioni pagabili al/i Collocatore/i).

Condizioni alle quali l'offerta è soggetta: L'Offerta dei Titoli è condizionata alla loro emissione.

L'Emittente si riserva il diritto di revocare l'offerta o cancellare l'emissione dei Titoli per qualsiasi motivo in accordo con il/i Collocatore/i, ed in qualsiasi momento, anteriormente o alla Data di Emissione. Resta inteso che, qualora un potenziale investitore abbia presentato una richiesta di sottoscrizione e l'Emittente eserciti il proprio diritto di revocare l'offerta, tale potenziale investitore non avrà il diritto di sottoscrivere o acquistare in altro modo i Titoli.

Descrizione della procedura di adesione:	Dal 2 luglio 2012 al 31 luglio 2012, incluso, o la precedente data stabilita dall'Emittente e comunicata all'incirca in tale data precedente, mediante pubblicazione sul sito internet http://www.prodottidiborsa.com (la Data di Conclusione del Periodo di Offerta). Le adesioni all'offerta dei Titoli possono essere presentate in Italia attraverso il/i Collocatore/i e, salva disponibilità, mediante la piattaforma di trading online. L'attività di collocamento sarà svolta nel rispetto delle usuali procedure del/i Collocatore/i. Ai potenziali investitori non sarà richiesto di entrare in alcun rapporto contrattuale diretto con l'Emittente con riferimento alla sottoscrizione dei Titoli.
Dettagli dell'importo di adesione minimo e/o massimo:	Importo minimo di adesione per singolo investitore: EUR 100. Importo massimo di adesione per singolo investitore: EUR 500.000*Importo Nozionale. L'ammontare massimo di adesione per i Titoli sarà soggetto solo alla disponibilità al momento dell'adesione. Non sono previsti criteri di allocazione predeterminati. Il/i Collocatore/i adotterà/adotteranno criteri di allocazione che assicurino la parità di trattamento dei potenziali investitori. Tutti i Titoli richiesti attraverso il Collocatore/i durante il Periodo di Offerta saranno assegnati fino al raggiungimento dell'ammontare massimo dell'Offerta. Nel caso in cui durante il Periodo di Offerta le richieste eccedano l'ammontare totale dell'Offerta destinato ai potenziali investitori, l'Emittente, di intesa con il Collocatore/i, procederà alla chiusura anticipata del Periodo di Offerta e sospenderà immediatamente l'accettazione di ulteriori richieste.
Descrizione della possibilità di ridurre le adesioni e delle modalità di rimborso degli importi eccedenti versati dagli aderenti:	Non applicabile.
Dettagli della modalità e scadenze per il pagamento a saldo e la consegna dei Titoli:	I Titoli saranno emessi alla Data di Emissione verso pagamento all'Emittente da parte dei Collocatori dell'ammontare lordo di sottoscrizione. I Titoli sono regolati tramite le <i>clearing systems</i> e verranno consegnati attraverso il/i Collocatore/i alla, o attorno alla, Data di Emissione.
Modalità e data di pubblicazione dei risultati dell'offerta:	Pubblicazione attraverso l'accesso al seguente sito web (http://www.prodottidiborsa.com), in ciascun caso alla, o attorno alla, Data di Emissione.

Procedura per l'esercizio dei diritti di prelazione, negoziabilità dei diritti di adesione e trattamento dei diritti di adesione non esercitati:	Non applicabile
Categorie dei potenziali investitori destinatari dell'offerta dei Titoli:	Offerte possono essere effettuate in Italia tramite il/i Collocatore/i a qualsiasi soggetto. Agli investitori qualificati potranno essere assegnati solo quei Titoli che residuino dopo aver assegnato tutti i Titoli richiesti dal pubblico in Italia durante il Periodo d'Offerta. Negli altri stati dell'Area Economica Europea, eventuali offerte possono essere effettuate tramite il/i Collocatore/i esclusivamente ai sensi di una esenzione all'obbligo di pubblicare un prospetto, previsto dalla Direttiva Prospetti come attuata in tali paesi.
Processo di comunicazione agli aderenti dell'importo assegnato e indicazione della possibilità di avviare le contrattazioni prima di tale comunicazione:	Ogni investitore che non si trovi in Italia dovrà contattare il proprio consulente finanziario per ottenere ulteriori informazioni, e potrà acquistare i Titoli dal proprio consulente finanziario, banca o intermediario finanziario. Il numero di Titoli assegnati saranno comunicati agli aderenti direttamente dal/i Collocatore/i successivamente alla chiusura del Periodo di Offerta.
Ammontare di qualsiasi tassa o spesa addebitata al sottoscrittore o acquirente:	Nessuna negoziazione sui Titoli potrà avere luogo prima della Data di Emissione. L'Emittente non è al corrente di alcuna spesa o tassa addebitata al sottoscrittore. Per quanto riguarda il Prezzo di Offerta, che include le commissioni pagabili al/i Collocatore/i, si veda il paragrafo "Prezzo di Offerta" che precede. Per maggiori informazioni sul regime fiscale applicabile ai sottoscrittori in Italia, si veda l'Allegato al presente documento.

9. Collocamento e Sottoscrizione

Nome(i) ed indirizzo(i), per quanto a conoscenza dell'Emittente, dei luoghi nei vari paesi ove l'offerta si svolge:	Non applicabile.
Nome ed indirizzo del/i coordinatore/i dell'offerta globale e delle singole parti dell'offerta:	Non applicabile.
Nome ed indirizzo degli agenti per il pagamento e degli agenti per il deposito in ciascun Paese (in aggiunta al <i>Principal Paying Agent</i>)	BNP Paribas Securities Services, Succursale di Milano Via Ansperto 5, 20123 Milano, Italia.

Soggetti che acconsentono a sottoscrivere l'emissione in base a preventiva sottoscrizione, e soggetti che acconsentono a collocare l'emissione senza preventiva sottoscrizione o su base "*best effort*".

Il collocamento sarà effettuato da

Banca Nazionale del Lavoro S.p.A:

Via V.Veneto, 119

00187 Roma, Italia.

(il **Collocatore**)

L'Emittente si riserva il diritto di nominare altri collocatori durante il periodo di offerta, nomina che sarà comunicata agli investitori tramite avviso pubblicato sul sito <http://www.prodottidiborsa.com>

(congiuntamente al Collocatore, i **Collocatori**).

Nessun obbligo di sottoscrizione è assunto dal Collocatore.

Quando l'accordo di sottoscrizione è stato o sarà stato raggiunto:

Non applicabile.

10. Rendimento

Non applicabile.

11. Tasso di interesse storico

Non applicabile.

12. Notifica di rinuncia

NOTIFICA DI RINUNCIA

(da compilarsi a cura del Portatore del Titolo)

BNP Paribas Arbitrage Issuance B.V.

Fino a 500.000 Certificates EUR "Athena Relax " legati ad Azioni Adidas AG con data di liquidazione 7 agosto 2015

Codice ISIN: NL0010220695

(i Titoli)

A: BNP Paribas Securities Services, Succursale di Milano
Via Ansperto 5, 20123 Milano, Italia
Fax n.: (39) 02 72474 444

Il sottoscritto Portatore dei Titoli:

comunica con la presente di rinunciare all'esercizio automatico, alla Data di Esercizio, dei diritti conferiti dai Titoli secondo il Regolamento dei Titoli, come modificato e/o integrato dalle Condizioni Definitive applicabili (i **"Termini dei Titoli"**).

Numero di Serie dei Titoli:

Numero dei Titoli oggetto della presente notifica:

Il sottoscritto riconosce che, qualora la presente Notifica di Rinuncia non sia compilata e consegnata come previsto nei Termini dei Titoli o sia ritenuta incompleta o non avente una forma appropriata (secondo la determinazione dell'Agente Italiano per i Titoli), sarà ritenuta nulla.

Qualora la presente Notifica di Rinuncia sia successivamente corretta a soddisfacimento dell'Agente Italiano per i Titoli, la stessa sarà considerata come una nuova Notifica di Rinuncia presentata al momento della consegna di tale correzione all'Agente Italiano per i Titoli.

Le espressioni definite nei Termini dei Titoli avranno lo stesso significato alle stesse attribuito nella presente Notifica di Rinuncia.

Luogo e data:

Firma del Portatore:

Firma dell'investitore nei Titoli:

ALLEGATO

REGIME FISCALE ITALIANO

Le informazioni di seguito riportate riassumono la legislazione italiana e la prassi vigente in relazione al regime fiscale applicabile ai Titoli così come definiti nel Programma Warrant e Certificate. Le indicazioni di seguito riportate si basano sulle leggi vigenti in Italia alla data di redazione del presente Final Terms e sono soggette ad ogni variazione normativa intervenuta dopo tale data, variazione che potrebbe avere anche effetto retroattivo. Il seguente paragrafo non intende offrire un quadro completo ed esaustivo di tutti i profili fiscali che potrebbero rilevare al fine di valutare la sottoscrizione, l'acquisto, il possesso o la cessione dei Titoli. Non è altresì descritto il regime fiscale applicabile a tutte le possibili categorie di investitori, alcuni dei quali (come ad esempio gli intermediari istituzionali) potrebbero essere soggetti a regimi speciali.

I potenziali investitori sono invitati a rivolgersi ai propri consulenti fiscali per valutare accuratamente le conseguenze che possono derivare dalla sottoscrizione, dall'acquisto, dal possesso e dalla cessione dei Titoli.

Tassazione dei Titoli

I Warrants, i Certificates e gli altri strumenti derivati sono soggetti al regime fiscale previsto dall'art. 67 del D.P.R. 22 Dicembre 1986 n. 917 (TUIR), e del Decreto Legislativo 21 Novembre 1997 n. 461, se l'investitore è residente in Italia ed è (i) una persona fisica che non svolge un'attività d'impresa alla quale i Titoli siano connessi; (ii) una società di persone o un'associazione di cui all'art. 5 del TUIR, che non svolga attività commerciale (con l'esclusione delle società in nome collettivo, in accomandita semplice e di quelle ad esse equiparate); (iii) un ente privato o pubblico che non abbia per oggetto esclusivo o principale l'esercizio di attività commerciale; o (iv) un soggetto esente dall'imposta sul reddito delle persone giuridiche, le plusvalenze derivanti dal possesso e dalla negoziazione dei Titoli sono soggette ad un'imposta sostitutiva con aliquota pari al 20 per cento. Il percipiente può optare per i tre diversi criteri di applicazione dell'imposta sostitutiva di seguito elencati:

In base al cosiddetto "*regime della dichiarazione*" - che è il regime fiscale applicabile in via residuale ed in assenza di opzione per gli altri regimi impositivi, in capo alle persone fisiche residenti in Italia che non detengono i Titoli nell'ambito dell'attività di impresa - l'imposta sostitutiva è applicata, su base annuale, sull'importo complessivo delle plusvalenze, al netto delle eventuali minusvalenze, realizzate in relazione a tutte le vendite o i rimborsi dei Titoli effettuati nel corso di un determinato periodo di imposta. Tali investitori sono tenuti ad indicare le plusvalenze complessive - realizzate nel periodo di imposta, al netto delle relative minusvalenze - nella dichiarazione annuale dei redditi ed a versare la relativa imposta sostitutiva, unitamente alle altre imposte sui redditi dovute per il medesimo periodo d'imposta. Se, in relazione allo stesso periodo d'imposta, le minusvalenze sono superiori alle plusvalenze, l'eccedenza può essere riportata in deduzione dalle plusvalenze realizzate nei quattro periodi di imposta successivi. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

In alternativa al regime della dichiarazione, le persone fisiche residenti in Italia che detengono i Titoli non nell'ambito di un'attività d'impresa possono optare per l'applicazione dell'imposta sostitutiva sulle plusvalenze realizzate in occasione di ciascuna vendita o liquidazione dei Titoli, nell'ambito del cosiddetto "*regime del risparmio amministrato*" (di cui all'articolo 6 del Decreto Legislativo Nr. 461 del 21 Novembre 1997, come successivamente modificato di seguito: il "Decreto Nr. 461"). Questo regime è applicabile a condizione che: (i) i Titoli siano depositati presso banche italiane, SIM o altri intermediari finanziari autorizzati, e (ii) l'investitore abbia validamente esercitato, in forma scritta, l'opzione per accedere al regime del risparmio amministrato. Il depositario è responsabile per l'applicazione dell'imposta sostitutiva dovuta sulle plusvalenze realizzate a seguito di ciascuna cessione o liquidazione dei Titoli (ovvero in relazione alle plusvalenze realizzate in occasione di revoca del suo mandato), al netto delle eventuali minusvalenze, ed è tenuto a versare l'imposta sostitutiva all'Amministrazione finanziaria, per conto dell'investitore, prelevando il corrispondente ammontare dai redditi da accreditare all'investitore, oppure utilizzando fondi appositamente messi a disposizione dall'investitore stesso. Nel regime del risparmio amministrato, qualora dalla vendita o dalla liquidazione dei Titoli derivi una minusvalenza, tale minusvalenza può essere dedotta dalle plusvalenze della stessa natura, successivamente realizzate su titoli depositati presso il medesimo intermediario, nel corso dello stesso periodo di imposta oppure in quelli successivi, ma non oltre il quarto. In base al regime del risparmio amministrato, l'investitore non è tenuto ad indicare le

plusvalenze nella propria dichiarazione dei redditi annuale. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Le plusvalenze realizzate o maturate in capo a persone fisiche residenti in Italia che detengano i Titoli non nell'ambito dell'attività d'impresa e che abbiano affidato la gestione del loro patrimonio finanziario, compresi i Titoli, ad un intermediario autorizzato, optando per il cosiddetto "*regime del risparmio gestito*" (articolo 7 del Decreto Nr. 461), sono incluse nel calcolo del cosiddetto risultato maturato della gestione annuale. Sul risultato annuale di gestione è applicata un'imposta sostitutiva del 20 per cento, che deve essere prelevata dall'intermediario incaricato della gestione. Nel regime del risparmio gestito eventuali differenziali negativi nel risultato annuale della gestione possono essere dedotti dagli incrementi di valore registrati nei periodi successivi, non oltre il quarto. Ai fini del regime del risparmio gestito, l'investitore non è tenuto ad indicare i redditi derivanti dalla gestione patrimoniale nella propria dichiarazione dei redditi annuale. I risultati di gestione negativi maturati prima del 1 gennaio 2012 possono essere utilizzati per compensare, alle medesime condizioni indicate, risultati di gestione positivi maturati successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Quando l'investitore italiano è una società o un ente commerciale, o una stabile organizzazione in Italia di un soggetto non residente alla quale i Titoli siano connessi, le plusvalenze derivanti dai Titoli stessi non saranno soggette ad imposta sostitutiva, ma concorreranno a determinare il reddito imponibile dell'investitore stesso ai fini IRES (e, al verificarsi di determinate condizioni relative allo "status" dell'investitore, la base imponibile IRAP).

Le plusvalenze realizzate da un investitore che sia un fondo comune di investimento italiano aperto o chiuso (soggetto al regime fiscale previsto dalla Legge 23 marzo 1983, numero 77), ovvero una SICAV non saranno soggette ad imposta sostitutiva, ma saranno incluse nel risultato di gestione maturato alla fine del periodo d'imposta.

Le plusvalenze realizzate da un investitore che sia un fondo pensione italiano (soggetto al regime previsto dall'art. 17 del Decreto Legge 5 Dicembre 2005, n. 252) saranno incluse nel risultato di gestione maturato dal fondo alla fine del periodo di imposta e soggette ad un'imposta sostitutiva dell'11 per cento.

Le plusvalenze realizzate da soggetti non residenti derivanti dalla vendita o dalla liquidazione dei Titoli non sono soggette ad alcuna imposizione in Italia, a condizione che i Titoli stessi (i) siano negoziati in mercati regolamentati, o (ii) non siano detenuti in Italia.

Si applicano, al verificarsi delle relative condizioni e qualora più favorevoli all'investitore, le disposizioni dei trattati contro le doppie imposizioni stipulati dall'Italia.

Titoli atipici

I titoli che non si qualificano come strumenti derivati ai sensi dell'art. 67 del TUIR e, in conformità ad una differente interpretazione della vigente normativa fiscale, i Certificates potrebbero essere considerati come titoli "atipici" ai sensi e per gli effetti dell'Articolo 8 del Decreto Legge 30 settembre 1983, n. 512, convertito nella Legge 25 novembre 1983, n. 649.

La menzionata ritenuta non si applica ai pagamenti effettuati al possessore dei Titoli che non sia residente in Italia ed al possessore dei Titoli residente in Italia che sia (i) una società o altro ente commerciale (ivi compresa la stabile organizzazione in Italia di soggetti esteri); (ii) una società in nome collettivo, in accomandita semplice o ad esse assimilata; oppure (iii) un ente privato o pubblico che svolga una attività commerciale.

La ritenuta è applicata dai soggetti residenti incaricati dall'Emittente che intervengono nel pagamento dei proventi, nel riacquisto o nella negoziazione dei Titoli.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Imposte di successione e donazione

Ai sensi del Decreto Legge Nr. 262 del 3 ottobre 2006, (di seguito citato come il Decreto Nr. 262), convertito nella Legge Nr. 286 del 24 novembre 2006, il trasferimento di beni e diritti (incluse azioni, obbligazioni ed altri titoli) per effetto di successione o donazione è assoggettato ad imposta come segue:

- (i) il trasferimento a favore del coniuge e dei discendenti e ascendenti diretti è assoggettato ad imposta di successione o donazione nella misura del 4 per cento sul valore dei beni trasferiti per successione e donazione eccedente l'importo di EUR 1,000,000;
- (ii) il trasferimento a favore dei parenti entro il quarto grado ed affini in linea diretta nonché in favore degli affini in linea collaterale fino al terzo grado è assoggettato ad imposta di successione o donazione nella misura del 6 per cento del valore della donazione e della successione. Il trasferimento a favore di sorelle e fratelli sconta l'imposta di successione o donazione nella misura del 6 per cento sul valore complessivo netto eccedente, per ciascun beneficiario, EUR 100,000; e
- (iii) il trasferimento a favore di ogni altro beneficiario sconta l'imposta di donazione o successione nella misura dell'8 per cento.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Tassa sui contratti di Borsa

L'art. 37 del D.L. 31 Dicembre 2007 n. 248, ("**Decreto n. 248**") convertito nella Legge 28 Febbraio 2008, n. 31 pubblicata nella Gazzetta Ufficiale n. 51 del 29 Febbraio 2008, ha soppresso la tassa sui contratti di borsa prevista dal Regio Decreto 30 dicembre 1923 n. 3278, così come integrato e modificato dall'art. 1 del D. Lgs. 21 Novembre 1997 n. 435.

A seguito dell'abrogazione della tassa sui contratti di Borsa, a partire dal 31 Dicembre 2007, gli atti aventi ad oggetto la negoziazione di titoli scontano l'imposta di registro come segue: (i) gli atti pubblici e le scritture private

autenticate scontano l'imposta di registro in misura fissa pari a Euro 168 (ii) le scritture private non autenticate scontano l'imposta di registro solo in "caso d'uso" o a seguito di registrazione volontaria.

Imposta di bollo

Ai sensi dell'art. 19, comma 1, del D. L. 6 dicembre 2001, n. 201 (Decreto 201), un'imposta di bollo proporzionale si applica, su base annuale, alle comunicazioni periodiche inviate dagli intermediari finanziari ai loro clienti relative ai titoli depositati presso di loro. L'imposta di bollo si applica con aliquota pari allo 0,1 per cento per l'anno 2012 e allo 0,15 per cento per gli anni successivi, su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli. L'imposta di bollo non può essere inferiore a € 34,20 e, per il solo anno 2012 non può superare € 1.200.

Secondo una preliminare interpretazione della disposizione normativa, può ritenersi che l'imposta di bollo trovi applicazione sia con riferimento agli Investitori residenti che non residenti a condizione che i relativi Titoli siano detenuti presso un Intermediario avente sede in Italia.

Imposta sui titoli depositati all'estero

Ai sensi dell'art. 19, comma 18, del Decreto 201, le persone fisiche residenti in Italia che detengono i Titoli al di fuori del territorio italiano sono tenuti a pagare un'imposta con aliquota pari allo 0,1 per cento per l'anno 2012 e dello 0,15 per cento per gli anni successivi sulle attività finanziarie detenute all'estero.

Quest'imposta è calcolata su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli detenuti all'estero. I contribuenti hanno diritto ad un credito d'imposta pari alle equivalenti imposte pagate all'estero nei limiti dell'imposta pagabile in Italia.

Attuazione in Italia della Direttiva sulla tassazione dei redditi da risparmio

L'Italia ha dato attuazione alla Direttiva del Consiglio 2003/48/EC con il Decreto Legislativo 18 aprile 2005, n. 84 (Decreto n. 84). Ai sensi del Decreto n. 84, gli agenti pagatori qualificati ai sensi della Direttiva e residenti in Italia non applicano alcuna ritenuta alla fonte sugli interessi corrisposti a persone fisiche residenti in un altro Stato Membro dell'Unione Europea. Tuttavia, i suddetti agenti pagatori sono incaricati di fornire specifiche informazioni, alle autorità fiscali italiane, in merito ai pagamenti effettuati nonché ai beneficiari effettivi degli stessi. Le autorità fiscali italiane, a loro volta, trasmetteranno le relative informazioni alle competenti autorità fiscali dello Stato Membro in cui risiede il beneficiario.

NOTICE TO THE HOLDERS

Up to 500,000 EUR "Athena Relax" Certificates relating to Adidas A.G. Shares due 7 August 2015

ISIN Code: NL0010220695

This Notice is dated 3 August 2012 and should be read in conjunction with the Final Terms dated 2 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 500,000 EUR "Athena Relax" Certificates relating to Adidas A.G. Shares due 7 August 2015**, referred to here above, the total number of Securities to be issued is **200,000 Securities** (i.e. **EUR 20,000,000**) at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 7 August 2012.

The Holders are informed that on page 8 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Share_{Initial}** is the official closing price of the Underlying Share on the Strike Date (i.e. **EUR 61.11**)

Barrier Level is 55% x **Share_{Initial}** (i.e. **EUR 33.6105**)

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the "**SeDeX**") (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A.

FINAL TERMS DATED 2 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

Up to 500,000 EUR "Athena Relax " Certificates relating to Deutsche Post AG Shares due 7 August 2015

ISIN Code: NL0010220786

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

The Securities are offered to the public in the Republic of Italy from 2 July 2012 to 31 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus

Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets' (Autoriteit Financiële Markten - AFM) website www.afm.nl, and copies of these documents and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperito 5, 20123 Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN Code	Common Code	Issue Price per Security	Redemption Date
CE681MAV	Up to 500,000	Up to 500,000	NL0010220786	079950807	EUR 100	7 August 2015

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas.
3. **Trade Date:** 31 July 2012.
4. **Issue Date:** 7 August 2012.
5. **Consolidation:** Not applicable.
6. **Type of Securities:**
 - (a) Certificates.
 - (b) The Securities are Share Securities.

The Certificates are "**Athena Relax**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 31 July 2015, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 2 (*Additional Terms and Conditions for Share Securities*) shall apply.

7.	Form of Securities:	Italian Dematerialised Securities.
8.	Business Day Centre(s):	The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9.	Settlement:	Settlement will be by way of cash payment (Cash Settled Securities).
10.	Variation of Settlement:	The Issuer does not have the option to vary settlement in respect of the Securities.
11.	Relevant Asset(s):	Not applicable.
12.	Entitlement:	Not applicable.
13.	Exchange Rate:	Not applicable.
14.	Settlement Currency:	The settlement currency for the payment of the Cash Settlement Amount is Euro ("EUR").
15.	Syndication:	The Securities will be distributed on a non-syndicated basis.
16.	Minimum Trading Size:	The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
17.	Principal Security Agent:	BNP Paribas Securities Services, Milan Branch.
18.	Registrar:	Not applicable.
19.	Calculation Agent:	BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France.
20.	Governing law:	English law.
21.	Special conditions or other modifications to the Terms and Conditions:	Minimum exercise number of Securities: The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is P20786

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any

underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) :

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

ANNEX 2 (Additional Terms and Conditions for Share Securities)

The following sentence shall be deemed to be added at the end of Paragraph (3) (Potential Adjustment Events) :

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

The following shall be deemed to be deleted from Paragraph (4) (2), (d) (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

PRODUCT SPECIFIC PROVISIONS

22. [Index Securities:](#)

Not applicable.

23. [Share Securities:](#)

Applicable.

(a) Share(s)/ Share Company/Basket Company/GDR/ADR:	An ordinary share in the share capital of Deutsche Post AG (the "Share Company"), (ISIN Code: DE0005552004 / Reuters Code: DPWGn.DE. / Bloomberg Code: DPW GY <Equity>) (the "Underlying Share"). For the purposes of the Conditions, the Underlying Share shall be deemed to be the Share.
(b) Relative Performance Basket:	Not applicable.
(c) Share Currency:	Euro
(d) Exchange(s):	XETRA
(e) Related Exchange(s):	All Exchanges.
(f) Exchange Business Day:	Single Share Basis.
(g) Scheduled Trading Day:	Single Share Basis.
(h) Weighting:	Not applicable.
(i) Settlement Price:	The Settlement Price will be calculated on the basis of the official closing price of the Underlying Share, as determined and published by the Exchange.
(j) Disrupted Day:	If any Automatic Early Redemption Valuation Date _i or the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Share Security Condition 1.
(k) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
(l) Valuation Time:	The Valuation Time will be the time when the official closing price of the Underlying Share is determined by the Exchange.
(m) Delayed Redemption on Occurrence of an Extraordinary Event:	Not applicable.
(n) Share Correction Period:	As per Conditions.
(o) Dividend Payment:	Not applicable.
(p) Listing Change:	Not applicable.
(q) Listing Suspension:	Not applicable.
(r) Illiquidity:	Not applicable.
(s) Tender Offer:	Applicable.
(t) Other terms or special conditions:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.

26.	Commodity Securities:	Not applicable.
27.	Inflation Index Securities:	Not applicable.
28.	Currency Securities:	Not applicable.
29.	Fund Securities:	Not applicable.
30.	Market Access Securities:	Not applicable.
31.	Futures Securities:	Not applicable.
32.	Credit Securities:	Not applicable.
33.	Preference Share Certificates:	Not applicable.
34.	OET Certificates:	Not applicable.
35.	Additional Disruption Events:	Applicable.
		Hedging Disruption does not apply to the Securities.
36.	Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities:
		Insolvency Filing
		(b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event:
		Not applicable.
37.	Knock-in Event:	Not applicable.
38.	Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39.	Provisions relating to Warrants:	Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40.	Provisions relating to Certificates:	Applicable.
(a)	Notional Amount of each Certificate:	EUR 100.
(b)	Partly Paid Certificates:	The Certificates are not Partly Paid Certificates.
(c)	Interest:	Not applicable.
(d)	Fixed Rate Provisions:	Not applicable.
(e)	Floating Rate Provisions	Not applicable.
(f)	Linked Interest Certificates:	Not applicable.
(g)	Payment of Premium Amount(s):	Applicable.
	(i) Premium Amount (s):	EUR 5.50 per Certificate.

(ii) Linked Premium Amount Certificates:	Not applicable.
(iii) Premium Amount Payment Date(s):	12 August 2013; provided that if the Premium Amount Payment Date would otherwise fall on a day which is not a Business Day, the Premium Amount Payment Date shall be postponed to the next day which is a Business Day.
	<i>For the avoidance of doubt, each Security pays the Premium Amount on the Premium Amount Payment Date provided however that no Automatic Early Redemption (as specified in PART-A § 40(t) below) has occurred on 31 July 2013. If such Automatic Early Redemption has occurred on such date, no Premium Amount will be paid on the Premium Amount Payment Date.</i>
(iv) Premium Amount Record Date(s):	6 August 2013; provided that if the Premium Amount Record Date would otherwise fall on a day which is not a Business Day, the Premium Amount Record Date shall be postponed to the next day which is a Business Day.
(h) Index Linked Interest Certificates:	Not applicable.
(i) Share Linked Interest Certificates:	Not applicable.
(j) ETI Linked Interest Certificates:	Not applicable.
(k) Debt Linked Interest Certificates:	Not applicable.
(l) Commodity Linked Interest Certificates:	Not applicable.
(m) Inflation Index Linked Interest Certificates:	Not applicable.
(n) Currency Linked Interest Certificates:	Not applicable.
(o) Fund Linked Interest Certificates:	Not applicable.
(p) Futures Linked Interest Certificates:	Not applicable.
(q) Instalment Certificates:	The Certificates are not Instalment Certificates.
(r) Issuer Call Option:	Not applicable.
(s) Holder Put Option:	Not applicable.
(t) Automatic Early Redemption:	Applicable.

If on the Automatic Early Redemption Valuation Date_i indicated in the table below, the official closing price of the Underlying Share is greater than or equal to its Automatic Early Redemption Level_i, the Certificate will be automatically early redeemed and the Holder will receive, on the Automatic Early Redemption Date_i, payment of Automatic Early Redemption Amount_i as set out in the table below:

i	Automatic Early Redemption Valuation Date _i	Automatic Early Redemption Level _i	Automatic Early Redemption Amount _i	Automatic Early Redemption Date _i
1	31 July 2013	100% * Share _{Initial}	EUR 105.50	12 August 2013
2	31 July 2014	100% * Share _{Initial}	EUR 107.50	12 August 2014

- (i) Automatic Early Redemption Amount: See table above.
- (ii) Automatic Early Redemption Date(s): See table above.
- (iii) Automatic Early Redemption Level: See table above.
- (iv) Automatic Early Redemption Rate: Not applicable.
- (v) Automatic Early Redemption Valuation Date(s): See table above.
- (u) Cash Settlement Amount: Unless previously redeemed or purchased and cancelled by the Issuer, each Certificate will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Share_{Final}** is greater than or equal to **Share_{Initial}**:

$$N \times [100\% + 15\%]$$

2) If, on the Redemption Valuation Date, **Share_{Final}** is less than **Share_{Initial}** and greater than or equal to the **Barrier Level**:

$$N \times 100\%$$

3) Otherwise:

$$N \times \left(\frac{\text{Share}_{\text{Final}}}{\text{Share}_{\text{Initial}}} \right)$$

Where:

N is the Notional Amount of each Certificate as specified in § 40 (a);

Share_{Initial} is the official closing price of the Underlying Share on the Strike Date;

Share_{Final} is the official closing price of the Underlying Share on the Redemption Valuation Date;

Barrier Level is 55% x **Share_{Initial}**.

Pursuant the Rules of the markets organised and managed by

Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in § 40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v)	Renouncement Notice Cut-off Time	5.00 p.m. (Milan Time) on the Scheduled Trading Day following the Exercise Date.
(w)	Strike Date:	31 July 2012.
(x)	Redemption Valuation Date:	The Exercise Date.
(y)	Averaging:	Averaging does not apply to the Certificates.
(z)	Observation Dates:	Not applicable.
(aa)	Observation Period:	Not applicable.
(bb).	Settlement Business Day:	Not applicable.
(cc)	Cut-off Date:	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41. Selling Restrictions: As described in the Base Prospectus.
- (a) Eligibility for sale of Securities in the United States to AIs: The Securities are not eligible for sale in the United States to AIs.
- (b) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A: The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
- (c) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act: The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42. Additional U.S. Federal income tax consequences: Not applicable.
43. Registered broker/dealer: Not applicable.
44. Non exempt Offer: An offer of the Securities will be made through **Banca Nazionale del Lavoro S.p.A.** (the "**Distributor**", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "**Public Offer Jurisdiction**") during the period from **2 July 2012 until 31 July 2012** during the hours in which the banks are open for business in the Republic of Italy (the "**Offer Period**").

See further Paragraph 8 of Part B below

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. Collateral Security Conditions: Not applicable.

Purposes of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. The information included in Part B (the "**Other Information**") consists of extracts from or summaries of information that is publicly available in respect of

the Share. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the Share Company, no facts have been omitted which would render the reproduced inaccurate or misleading.

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

As Issuer:

A handwritten signature in blue ink, appearing to read 'C. Nastasa', with a horizontal line drawn underneath it.

By: ..Cezar NASTASA.. Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading:

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 1.00% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 50,000,000

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).

Estimated total expenses: EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The “**Athena Relax**” Security is a EUR denominated Security with a 3 year maturity that pays the Premium Amount on the Premium Amount Payment Date, as described in Part A § 40 (g).

This Security may be automatically early redeemed pursuant to the provisions in Part A § 40 (t).

If not automatically early redeemed, this Security offers to the investor the opportunity to receive a Cash Settlement Amount calculated according to the provisions in Part A § 40 (u).

The Securities are not capital protected. The investors benefit from a capital protection if the official closing price of the Underlying Share is greater than or equal to the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Details of historic performance of the Underlying Share can be obtained from Reuters.

Name of the issuer of the underlying security:

Deutsche Post AG

Deutsche Post AG provides mail delivery and other services to the public and businesses. The Company offers domestic mail delivery, international parcel and mail delivery services, and freight delivery and logistics services. Deutsche Post also provides a variety of financial services including standard banking services, retail and commercial lending, and brokerage services.

Address

Charles-de-Gaulle-Strasse 20
Bonn 53113
Germany

Website: www.dp-dhl.com

ISIN Code of the underlying:

See Part A § 23 (a).

Source of information relating to the Underlying
Past and future performances and volatility of the Shares are also notably available on Bloomberg page set out in Part A §23(a) and on the website of the Exchange where the share is listed.

Post-Issuance information
The Issuer does not intend to provide post-issuance information.

7. Operational Information

Relevant Clearing System(s):
Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period:
From 2 July 2012 to 31 July 2012.
Offer Price:
The Issue Price (of which a maximum annual amount of 1.00% is represented by commissions payable to the Distributor(s)).
Conditions to which the offer is subject:
The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process:
From 2 July 2012 to, and including, 31 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the offices of the Distributor(s) and, subject to availability, through the trading-online platform. The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application:

Minimum subscription amount per investor: EUR 100.

Maximum subscription amount per investor: 500,000 *
Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

Details of the method and time limits for paying up and delivering the Securities:

The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys.

The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.

Manner in and date on which results of the offer are to be made public:

Publication by loading the following link (<http://www.prodottidiborsa.com>) in each case on or around the Issue Date.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable.

Categories of potential investors to which the Securities are offered:	Offers will be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary. Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period.
Amount of any expenses and taxes specifically charges to the subscriber or purchaser:	No dealings in the Securities may take place prior to the Issue Date. The Issuer is not aware of any expenses and taxes specifically charged to the subscriber. For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price". For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place:	Not applicable.
Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:	Not applicable.
Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):	BNP Paribas Securities Services, Milan Branch Via Ansperto 5, 20123 Milano, Italy.
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:	The placement activity will be carried out by: Banca Nazionale del Lavoro S.p.A. Via V. Veneto, 119 00187 Rome, Italy. (the Distributor)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached:

Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE
(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

Up to 500,000 EUR "Athena Relax " Certificates relating to Deutsche Post AG Shares due 7 August 2015

ISIN Code: NL0010220786

(the **Securities**)

To: **BNP Paribas Securities Services, Milan Branch**

Via Ansperto 5, 20123 Milano, Italy
Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities:

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder:

Name of beneficial owner of the Securities:

Signature:

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital

gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Di seguito è riportato in lingua italiana il contenuto dei *Final Terms* (cd. Condizioni Definitive), applicabili agli strumenti finanziari di seguito individuati, fermo restando che (i) il testo di lingua inglese prevarrà in caso di eventuale divergenza con, od omissioni nella, presente traduzione, (ii) ai sensi della vigente normativa applicabile in materia di prospetti, non sussiste alcun obbligo di effettuare, ovvero consegnare, la presente ai potenziali investitori, né di trasmetterla ad alcuna autorità, (iii) la presente traduzione è effettuata esclusivamente al fine di agevolare la lettura da parte dei potenziali investitori del testo in lingua inglese dei *Final Terms* redatto ai sensi dell'Articolo 5.4 della Direttiva Prospetti (come di seguito definita), e, in tal senso, (iv) i potenziali investitori sono invitati, ai fini di avere una informativa completa sull'Emittente e sull'offerta degli strumenti finanziari, di seguito individuati, a leggere attentamente le informazioni contenute nei *Final Terms* e nel Prospetto di Base ed in ogni relativo supplemento e documentazione di offerta di seguito individuata.

CONDIZIONI DEFINITIVE DATATE 2 LUGLIO 2012

BNP Paribas Arbitrage Issuance B.V.

(società di diritto olandese)

(in qualità di Emittente)

BNP Paribas

(società di diritto francese)

(in qualità di Garante)

Programma di Warrant e Certificate

Fino a 500.000 Certificates EUR "Athena Relax " legati ad Azioni Deutsche Post AG

con data di liquidazione 7 agosto 2015

Codice ISIN: NL0010220786

BNP Paribas Arbitrage S.N.C.

(in qualità di Manager)

I Titoli sono offerti al pubblico in Italia dal 2 luglio 2012 al 31 luglio 2012

Il Prospetto di Base a cui si fa riferimento di seguito (come completato dalle presenti Condizioni Definitive) è stato predisposto sulla base del fatto che, fatta eccezione per quanto previsto al seguente sotto-paragrafo (ii), ogni offerta di Titoli in qualsiasi Stato Membro dello Spazio Economico Europeo che ha attuato la Direttiva Prospetti (ciascuno, uno "**Stato Membro Rilevante**") sarà effettuata ai sensi di una esenzione prevista dalla Direttiva Prospetti, come attuata in tale Stato Membro Rilevante, dall'obbligo di pubblicare un prospetto per l'offerta dei Titoli. Pertanto, ogni persona che promuova o che intenda promuovere un'offerta dei Titoli può farlo esclusivamente:

- (i) in circostanze in cui non sorge l'obbligo per l'Emittente o per qualsiasi Manager di pubblicare un prospetto ai sensi dell'Articolo 3 della Direttiva Prospetti o di supplementare un prospetto ai sensi dell'Articolo 16 della Direttiva Prospetti, in ciascun caso, in relazione a tale offerta; o
- (ii) in quelle giurisdizioni indicate al Paragrafo 44 della Parte A che segue, posto che tale persona sia una delle persone indicate nel Paragrafo 44 della Parte A che segue e che tale offerta sia promossa durante il Periodo di Offerta ivi indicato.

Né l'Emittente né alcuno dei Manager ha autorizzato, né autorizza, lo svolgimento di alcuna offerta di Titoli in alcuna altra circostanza.

Il termine "**Direttiva Prospetti**" indica la Direttiva 2003/71/CE (e le relative modifiche alla stessa, inclusa la Direttiva di Modifica della Direttiva Prospetti del 2010, nella misura in cui è stata attuata nello Stato Membro Rilevante), ed include ciascuna relativa misura di recepimento nello Stato Membro Rilevante ed il termine **Direttiva di Modifica della Direttiva Prospetti del 2010** si riferisce alla Direttiva 2010/73/UE.

Gli investitori dovrebbero considerare che, ove un supplemento al, o una versione aggiornata del, Prospetto di Base menzionato di seguito sia pubblicato in qualsiasi momento durante il Periodo di Offerta (come di seguito definito), tale supplemento o Prospetto di Base aggiornato, a seconda del caso, sarà pubblicato e reso disponibile con le medesime modalità adottate per la pubblicazione delle presenti Condizioni Definitive. Qualsiasi investitore che abbia aderito all'Offerta (come di seguito definita) prima della data di pubblicazione di tale supplemento o versione aggiornata del Prospetto di Base, a seconda del caso, (la "**Data di Pubblicazione** ") ha il diritto entro due giorni lavorativi dalla Data di Pubblicazione di revocare la propria adesione.

PARTE A – CONDIZIONI CONTRATTUALI

I termini utilizzati nel presente documento sono definiti ai fini delle Condizioni di cui al Prospetto di Base datato 1 giugno 2012 che costituisce un prospetto di base ai sensi della Direttiva 2003/71/CE (la **Direttiva Prospetti**) come modificata (comprese le modifiche apportate dalla Direttiva 2010/73/UE (la **Direttiva del 2010 di Modifica della Direttiva Prospetti**) nella misura in cui tali modifiche siano state attuate in uno Stato Membro rilevante). Il Prospetto di Base datato 1 giugno 2012 è stato passaportato in Italia in conformità all'Articolo 18 della Direttiva Prospetti. Il presente documento costituisce le Condizioni Definitive dei Titoli qui descritti ai fini dell'Articolo 5.4 della Direttiva Prospetti e va letto unitamente al Prospetto di Base. L'informativa completa su BNP Paribas Arbitrage Issuance B.V. (l'**Emittente**), nonché sull'offerta dei Titoli è ricavabile solo sulla base della consultazione congiunta delle presenti Condizioni Definitive e del Prospetto di Base. Il Prospetto di Base è disponibile per la consultazione presso il sito internet dell'Autorità Olandese per i Mercati Finanziari (**Autoriteit Financiële Markten - AFM**) www.afm.nl, e copie di tali documenti e delle Condizioni Definitive possono essere ottenute gratuitamente presso BNP Paribas Securities Services, Succursale di Milano, Via Ansperto 5, 20123 Milano, Italia.

Nel presente documento, qualsiasi riferimento numerico alle Condizioni è fatto al regolamento della rilevante serie di Titoli e i termini e le espressioni definiti nel predetto regolamento avranno lo stesso significato nelle presenti Condizioni Definitive, in quanto si riferiscano ai medesimi Titoli e salvo ove diversamente ed espressamente specificato.

Le presenti Condizioni Definitive riguardano la serie di Titoli indicata al paragrafo "Disposizioni Generali relative ad ogni Serie" che segue. Nel presente documento, con "**Titoli**" si intende fare riferimento ai Titoli oggetto delle presenti Condizioni Definitive. Pertanto, ogni riferimento a "**Titolo**" deve essere interpretato di conseguenza.

Numero di serie	N. di Titoli emessi	N. di Titoli	Codice ISIN	Common Code	Prezzo di emissione per Certificate	Data di Liquidazione:
CE681MAV	Fino a 500.000	Fino a 500.000	NL0010220786	079950807	EUR 100	7 agosto 2015

La Data di Liquidazione sarà soggetta a rettifiche ai sensi della *Following Business Day Convention*.

DISPOSIZIONI GENERALI

Ad ogni Serie di Titoli si applicano le seguenti condizioni:

1. Emittente: BNP Paribas Arbitrage Issuance B.V.
2. Garante: BNP Paribas
3. Data di *Trade*: 31 luglio 2012
4. Data di Emissione: 7 agosto 2012
5. Consolidamento: Non applicabile.
6. Tipo di Titoli:

(a) *Certificates*.

(b) I Titoli sono Titoli legati ad Azioni.

I *Certificates* sono *Certificates* Euro “*Athena Relax*”.

L'Esercizio Automatico si applica alla Data di Esercizio.

La **Data di Esercizio** è il 31 luglio 2015 o, qualora tale giorno non sia un Giorno Lavorativo, il Giorno Lavorativo immediatamente successivo.

Alla Data di Esercizio si applicheranno i medesimi aggiustamenti applicabili alla Data di Valutazione della Liquidazione. Ai fini di Borsa Italiana, la Data di Esercizio deve considerarsi la data di scadenza dei Titoli, ovvero la data in cui i Titoli scadono.

Si applicano le previsioni dell'*Annex 2 (Ulteriori termini e condizioni per Titoli legati ad Azioni)*.

7. Forma dei Titoli: Titoli italiani dematerializzati.
8. Centro(i) del Giorno Lavorativo (*Business Day Center*): Il Centro del Giorno Lavorativo applicabile ai fini della definizione di "Giorno Lavorativo" di cui alla Condizione 1 è TARGET2.
9. Liquidazione: La liquidazione avverrà mediante pagamento in contanti (**Titoli con liquidazione in contanti**).
10. Variazione della modalità di Liquidazione: L'Emittente non ha la possibilità di variare la liquidazione con riferimento ai Titoli.
11. Asset(s) Rilevanti: Non applicabile.
12. *Entitlement*: Non applicabile.
13. Tasso di Cambio: Non applicabile.
14. Valuta di Liquidazione: La valuta di liquidazione per il pagamento dell'Importo di Liquidazione in Contanti è l'Euro ("**EUR**").
15. Sindacazione: I Titoli saranno distribuiti su base non sindacata.
16. Taglio Minimo di Negoziazione: Il taglio minimo di negoziazione sarà stabilito dalla Borsa Italiana con

- l'avviso che comunica il primo giorno di negoziazioni.
- | | | |
|-----|--|--|
| 17. | Agente Principale per i Titoli: | BNP Paribas Securities Services, Succursale di Milano. |
| 18. | Registro: | Non applicabile. |
| 19. | Agente di Calcolo | BNP Paribas Arbitrage S.N.C.

8 rue de Sofia, 75018 Parigi, Francia. |
| 20. | Legge Applicabile: | Legge inglese. |
| 21. | Condizioni speciali o altre modifiche al Regolamento | Lotto minimo di esercizio dei Titoli: il numero minimo di Titoli che possono essere esercitati dal Titolare è (1) un Titolo, e multipli di (1) un Titolo. |

Il **Codice di Negoziazione** di Borsa Italiana è **P20786**

Condizione 6 (Previsioni Generali)

Quanto segue si intenderà aggiunto alla fine del primo paragrafo della Condizione 6 (Previsioni Generali):

“a meno che tali errori od omissioni siano dovuti al proprio dolo o colpa grave”.

Condizione 7 (Illegalità e Forza Maggiore):

Quanto segue si intenderà eliminato dalla Condizione 7.1 (Illegalità):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Quanto segue si intenderà eliminato dalla Condizione 7.2 (Forza Maggiore):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Condizione 13 (Sostituzione dell’Emittente o del Garante)

La Condizione 13(2) si intenderà eliminata e sostituita da quanto segue:

“Ove l’Emittente sia BNPP B.V., BNP o ogni società che l’abbia precedentemente sostituita, nella propria qualità di garante, non potrà essere sostituita da alcun diverso soggetto”.

Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali)

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (i):

"meno il costo per l'Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti (salvo ove diversamente previsto nelle Condizioni Definitive rilevanti)".

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (ii):

"meno il costo per l'Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti".

Quanto segue si intenderà aggiunto al termine della Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

ALLEGATO 2 (Ulteriori Termini e Condizioni per Titoli legati ad Azioni)

Quanto segue si intenderà aggiunto al termine del Paragrafo (3) (Potenziali Eventi di Rettifica):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

Quanto segue si intenderà eliminato dal Paragrafo (4) (2), (d) (i) e (ii):

"meno il costo per l'Emittente e/o le sue affiliate della risoluzione di eventuali relativi accordi di copertura sottostanti".

DISPOSIZIONI SPECIFICHE PER IL PRODOTTO

22.	Titoli legati ad Indici:	Non applicabile.
23.	Titoli legati ad Azioni:	Applicabile.
	(a) Azione(i)/Società dell'Azione/Società del Paniere /GDR/ADR:	Un'azione ordinaria nel capitale azionario di Deutsche Post AG (la Società dell'Azione) (Codice Isin: DE0005552004 / Codice Reuters DPWGn.DE. / Codice Bloomberg: DPW GY <Equity> (l'" Azione Sottostante ")). Ai fini di queste Condizioni, l'Azione Sottostante deve essere

		considerata un'Azione.
	(b) Performance Relativa del Paniere:	Non applicabile.
	(c) Valuta dell'Azione:	Euro.
	(d) Borsa(e):	XETRA
	(e) Borsa(e) Correlata(e):	Tutte le Borse.
	(f) Giorno Lavorativo di Borsa:	<i>Single Share Basis.</i>
	(g) Giorno di Negoziazione Programmato:	<i>Single Share Basis.</i>
	(h) Ponderazione:	Non applicabile.
	(i) Prezzo di Liquidazione:	Il Prezzo di Liquidazione verrà calcolato sulla base del prezzo di chiusura ufficiale dell'Azione, come calcolato e pubblicato dalla Borsa.
	(j) Giorno di Turbativa:	Se una Data di Valutazione della Liquidazione Anticipata Automatica, o la Data di Valutazione della Liquidazione è un Giorno di Turbativa, il Prezzo di Liquidazione sarà calcolato sulla base delle previsioni di cui alla Condizione per Titoli legati ad Azioni 1.
	(k) Numero Massimo di Giorni di Turbativa:	Tre (3) Giorni di Negoziazione Programmati.
	(l) Ora di Valutazione:	L'Ora di Valutazione è l'ora in cui il Prezzo di Chiusura ufficiale dell'Azione è determinato dalla Borsa.
	(m) Liquidazione Ritardata al Verificarsi di Eventi di Rettifica:	Non applicabile.
	(n) Periodo di Correzione dell'Azione:	Come da Condizioni.
	(o) Pagamento dei dividendi:	Non applicabile.
	(p) Modifica di quotazione:	Non applicabile.
	(q) Sospensione della quotazione:	Non applicabile.
	(r) Illiquidità:	Non applicabile.
	(s) Offerta d'acquisto:	Applicabile.
	(t) Altri termini o condizioni speciali:	Non applicabile.
24.	Titoli legati a ETI:	Non applicabile.
25.	Titoli legati a Strumenti di Debito:	Non applicabile.
26.	Titoli legati a <i>Commodity</i> :	Non applicabile.

27.	Titoli legati a Indici Inflazione:	Non applicabile.
28.	Titoli legati a Valute:	Non applicabile.
29.	Titoli legati a Fondi:	Non applicabile.
30.	Titoli <i>Market Access</i> :	Non applicabile.
31.	Titoli legati a <i>Futures</i> :	Non applicabile.
32.	Titoli legati a Crediti:	Non applicabile.
33.	<i>Preference Share Certificates</i> :	Non applicabile.
34.	<i>OET Certificates</i> :	Non applicabile.
35.	Eventi di Turbativa Aggiuntivi	Applicabile. La Turbativa della Copertura non si applica ai Titoli.
36.	Eventi di Turbativa Aggiuntivi Opzionali:	(a) Ai Titoli si applica il seguente Evento di Turbativa Aggiuntivo Opzionale: Dichiarazione di insolvenza. (b) Liquidazione Ritardata al Verificarsi di un Evento di Turbativa Aggiuntivo e/o di un Evento di Turbativa Aggiuntivo Opzionale: Non applicabile.
37.	Evento <i>Knock-in</i> :	Non applicabile.
38.	Evento <i>Knock-out</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI WARRANTS

39.	Previsioni relative a <i>Warrants</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI CERTIFICATES

40.	Previsioni relative ai <i>Certificates</i> :	Applicabile.
	(a) Importo Nozionale di ogni <i>Certificate</i> :	EUR 100.
	(b) <i>Certificates</i> a pagamento parziale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento parziale.
	(c) Interesse:	Non applicabile.
	(d) Previsioni relative al Tasso	Non applicabile.

Fisso:

(e) Previsioni relative al Tasso Variabile: Non applicabile.

(f) *Certificates* con Interessi legati a Indici: Non applicabile.

(g) Pagamento di Importo(i) Premio: Applicabile.

(i) Importo(i) Premio 5,50 EUR per *Certificate*.

(ii) *Certificates* legati all'Importo Premio Non applicabile.

(iii) Giorno(i) di Pagamento dell'Importo Premio 12 agosto 2013; a condizione che il *Giorno di Pagamento dell'Importo Premio* sia un giorno che non sia un Giorno Lavorativo, tale *Giorno di Pagamento dell'Importo Premio* sarà posticipato al giorno successivo che sia un Giorno Lavorativo.

A fini di chiarezza, ciascun Titolo paga l'Importo Premio al Giorno di Pagamento dell'Importo Premio, a condizione che in ogni caso non si sia verificata la Liquidazione Anticipata Automatica (come indicato nella PART-A al § 40(t) che segue) al 31 luglio 2013. Qualora tale Liquidazione Anticipata Automatica si verifichi in tale data, non sarà pagato alcun Importo Premio al Giorno di Pagamento dell'Importo Premio.

(iv) Giorno(i) di Registrazione dell'Importo Premio 6 agosto 2013; a condizione che il *Giorno di Registrazione dell'Importo Premio* sia un giorno che non sia un Giorno Lavorativo, tale *Giorno di Registrazione dell'Importo Premio* sarà posticipato al giorno successivo che sia un Giorno Lavorativo.

(h) *Certificates* con Interessi legati a Indici: Non applicabile.

(i) *Certificates* con Interessi legati ad Azioni: Non applicabile.

(j) *Certificates* con Interessi legati a ETI: Non applicabile.

(k) *Certificates* con Interessi legati a Strumenti di Debito: Non applicabile.

(l) *Certificates* con Interessi legati a *Commodity*: Non applicabile.

(m) *Certificates* con Interessi legati ad Indici di Inflazione: Non applicabile.

(n) *Certificates* con Interessi legati a Valute: Non applicabile.

- (o) *Certificates* con Interessi legati a Fondi: Non applicabile.
- (p) *Certificates* con Interessi legati a *Futures*: Non applicabile.
- (q) *Certificates* a pagamento rateale: I *Certificates* non sono *Certificates* a pagamento rateale.
- (r) Opzione Call dell'Emittente: Non applicabile.
- (s) Opzione Put del Portatore: Non applicabile.
- (t) Liquidazione Anticipata Automatica: Applicabile.

Se, alla Data di Valutazione della Liquidazione Anticipata Automatica_i indicata nella tabella che segue, il prezzo di chiusura ufficiale dell'Azione Sottostante è superiore o pari al Livello di Liquidazione Anticipata Automatica_i, il *Certificate* sarà automaticamente liquidato anticipatamente ed il Titolare riceverà, alla Data di Liquidazione Anticipata Automatica_i, il pagamento dell'Importo di Liquidazione Anticipata Automatica_i, come indicato nella tabella che segue:

i	Data di Valutazione della Liquidazione Anticipata Automatica _i	Livello di Liquidazione Anticipata Automatica _i	Importo di Liquidazione Anticipata Automatica _i	Data di Liquidazione Anticipata Automatica _i
1	31 luglio 2013	100% * Azione Iniziale	EUR 105,50	12 agosto 2013
2	31 luglio 2014	100% * Azione Iniziale	EUR 107,50	12 agosto 2014

- (i) Importo di Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (ii) Data(e) di Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (iii) Livello di Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (iv) Tasso della Liquidazione Anticipata Automatica: Non applicabile.
- (v) Data(e) di Valutazione della Liquidazione Anticipata Automatica: Si veda la tabella che precede.
- (u) Importo di Liquidazione in Contanti: A condizione che non sia stato precedentemente liquidato o acquistato e cancellato dall'Emittente, ciascun *Certificate* sarà

esercitato automaticamente alla Data di Esercizio ed il Titolare riceverà un Importo di Liquidazione in Contanti determinato ai sensi delle seguenti previsioni:

1) Se, alla Data di Valutazione della Liquidazione, **Azione_{Finale}** è maggiore o pari alla rispettiva **Azione_{Iniziale}** :

$$N \times [100\% + 15\%]$$

2) Se, alla Data di Valutazione della Liquidazione, **Azione_{Finale}** è inferiore al 100% di **Azione_{Iniziale}** ed è maggiore o uguale al **Livello Barriera**:

$$N \times 100\%$$

3) Altrimenti:

$$N \times \frac{\text{Azione}_{\text{Finale}}}{\text{Azione}_{\text{Iniziale}}}$$

dove:

N è l'Importo Nozionale di ciascun *Certificate* (si veda il § 40 (a));

Azione_{Iniziale} è il prezzo di chiusura ufficiale dell'Azione alla Data di *Strike*;

Azione_{Finale} è il prezzo di chiusura ufficiale dell'Azione alla Data di Valutazione della Liquidazione;

Livello Barriera è il 55% di **Azione_{Iniziale}**.

Ai sensi del regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A., ciascun Titolare di Titoli ha la facoltà di notificare all'Emittente la propria rinuncia al diritto al pagamento di tale Importo di Liquidazione in Contanti, tramite consegna all'Agente non più tardi dell'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)) di una notifica (la “**Notifica di Rinuncia**”, sostanzialmente nella forma di cui alla Parte B delle presenti Condizioni Definitive).

È possibile ottenere copia della Notifica di Rinuncia durante il normale orario lavorativo dall'ufficio specificato dell'Agente per i Titoli.

Qualora non sia ricevuta alcuna Notifica di Rinuncia entro l'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)), l'Importo di Liquidazione in Contanti sarà pagato automaticamente dall'Emittente alla Data di Liquidazione.

Nessuna Notifica di Rinuncia può essere revocata dopo che la stessa sia

	stata ricevuta dall'Agente. Dopo la consegna di una Notifica di Rinuncia, il relativo Titolare non potrà trasferire i Titoli oggetto della stessa.
(v) Ora di <i>Cut-off</i> della Notifica di Rinuncia:	Le ore 17.00 (Ora di Milano) del Giorno di Negoziazione Programmato successivo alla Data di Esercizio.
(w) Data di <i>Strike</i> :	31 luglio 2012
(x) Data di Valutazione della Liquidazione:	La Data di Esercizio.
(y) <i>Averaging</i> :	L' <i>Averaging</i> non si applica ai <i>Certificates</i> .
(z) Date di Osservazione:	Non applicabile.
(aa) Periodo di Osservazione:	Non applicabile.
(bb) Giorno Lavorativo di Liquidazione:	Non applicabile.
(cc) Data di <i>Cut-off</i> :	Non applicabile.

DISTRIBUZIONE ED IDONEITA' ALLA VENDITA NEGLI STATI UNITI

41.	Restrizioni alla Vendita:	Come descritte nel Prospetto di Base.
	(a) Idoneità alla vendita dei Titoli negli Stati Uniti ad <i>AIs</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti ad <i>AIs</i> .
	(b) Idoneità alla vendita dei Titoli negli Stati Uniti a <i>Qualified Institutional Buyers (QIBs)</i> come definiti nella <i>Rule 144a</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ai sensi della <i>Rule 144A</i> .
	(c) Idoneità alla vendita dei Titoli negli Stati Uniti a <i>QIBs</i> come definiti nella <i>Rule 144a</i> che sono altresì <i>Qualified Purchasers (QPs)</i> come definiti nell' <i>Investment Company Act</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ed a <i>QPs</i> .
42.	Conseguenze fiscali aggiuntive ai sensi della legge federale statunitense:	Non applicabile.
43.	<i>Broker/dealer</i> registrato:	Non applicabile.
44.	Offerta non esente:	Un'offerta dei Titoli sarà effettuata tramite Banca Nazionale del Lavoro S.p.A. (il " Collocatore " e, congiuntamente ad ogni altro soggetto cui sarà conferito l'incarico di collocatore con riferimento ai Titoli durante il Periodo di Offerta, i " Collocatori ") al di fuori delle ipotesi di cui all'Articolo 3(2) della Direttiva Prospetti in Italia (la Giurisdizione dell'Offerta Pubblica), dal 2 luglio 2012 al 31 luglio 2012 ,

negli orari in cui le banche sono generalmente aperte per la propria attività in Italia (il **Periodo di Offerta**).

Per ulteriori informazioni si veda il Paragrafo 8 della Parte B di seguito.

DISPOSIZIONI RELATIVE AL COLLATERAL E ALLA GARANZIA

45. Condizioni del *Collateral Security*: Non applicabile.

Scopo delle Condizioni Definitive

Le presenti Condizioni Definitive ricomprendono le condizioni definitive necessarie per l'emissione, l'offerta pubblica nella Giurisdizione dell'Offerta Pubblica e l'ammissione alla negoziazione presso il *Securitized Derivatives Market* (il "**SeDeX**") organizzato e gestito da Borsa Italiana S.p.A., dei Titoli qui descritti ai sensi del Programma di *Warrant e Certificate* di BNP Paribas, BNP Paribas Arbitrage Issuance B.V.

Responsabilità

L'Emittente si assume la responsabilità per le informazioni contenute nelle presenti Condizioni Definitive. Per quanto a conoscenza dell'Emittente (che ha adottato ogni ragionevole cura per assicurare che questo sia il caso), le informazioni contenute nelle presenti Condizioni Definitive sono conformi ai fatti e non presentano omissioni tali da alterarne il senso. Le informazioni incluse nella Parte B (le **Altre Informazioni**) sono un estratto o un riassunto di informazioni di pubblico dominio sull'Azione. L'Emittente conferma che dette informazioni sono state riprodotte accuratamente e che, per quanto a sua conoscenza e per quanto è in grado di accertare in base alle informazioni pubblicate dalla Società Emittente l'Azione, non sono stati omessi fatti che potrebbero rendere impreciso o fuorviante quanto riprodotto.

Sottoscritto per conto di BNP Paribas Arbitrage Issuance B.V.

In qualità di Emittente:

Da: _____

debitamente autorizzato.

PARTE B – ULTERIORI INFORMAZIONI

1. Quotazione ed Ammissione alla negoziazione

Sarà presentata domanda di quotazione dei Titoli presso la Borsa Valori italiana, nonché di ammissione alla negoziazione dei Titoli oggetto della presente offerta presso il *Securitised Derivatives Market* (il “**SeDeX**”) organizzato e gestito da Borsa Italiana S.p.A.

2. Ratings

I titoli in emissione non sono stati oggetto di *rating*.

Il *rating* assegnato al Garante è A2 da parte di Moody's e AA- da parte di Standard and Poor's.

Come definito da Moody's un giudizio "A" implica che le obbligazioni dell'Emittente e del Garante ai sensi del Programma sono considerate appartenenti al livello medio-alto della scala e il rischio di credito è basso. Ad ogni categoria di rating compresa tra Aaa e Caa Moody's aggiunge i numeri 1, 2 e 3. Il numero 2 indica un posizionamento nella fascia intermedia.

Come definito da Standard and Poor's un'obbligazione con giudizio "AA" si distingue dall'obbligazione con giudizio più alto solo per un grado minimo. La capacità dell'Emittente e del Garante di onorare i propri impegni finanziari sulle obbligazioni è molto forte. L'aggiunta di un più (+) o di un meno (-) indica la relativa posizione all'interno della categoria di rating.

Moody's e Standard & Poor's sono costituite nell'Unione Europea e registrate ai sensi del Regolamento (CE) n. 1060/2009 (come modificato).

3. Fattori di rischio

Come indicato nel Prospetto di Base.

4. Interessi di Persone Fisiche e Giuridiche Coinvolte nell'Offerta

Gli investitori devono considerare che il Collocatore cui è stato conferito l'incarico di collocare i Titoli ai sensi delle presenti Condizioni Definitive, **Banca Nazionale del Lavoro S.p.A.**, appartiene al medesimo Gruppo dell'Emittente, il Gruppo BNP Paribas. In tal senso, gli investitori devono altresì considerare che il/i Collocatore/i riceverà/riceveranno dall'Emittente una commissione di collocamento implicita nel Prezzo di Emissione dei Titoli pari ad un ammontare massimo annuo dell'1,00% dell'Importo Emesso. Tutte le commissioni di collocamento verranno pagate in anticipo.

Salvo quanto sopra indicato e quanto descritto nel paragrafo "*Fattori di Rischio*" del Prospetto di Base, per quanto a conoscenza dell'Emittente, nessun soggetto coinvolto nell'offerta dei Titoli ha un interesse rilevante nella medesima.

5. Ragioni dell'Offerta, Proventi Netti Stimati e Spese Complessive

Ragioni dell'Offerta:

I proventi netti derivanti dall'emissione dei Titoli diverranno parte dei fondi generali dell'Emittente. Tali proventi potranno essere usati per mantenere posizioni su opzioni o contratti *futures*, ovvero altri strumenti di copertura.

Proventi Netti Stimati:

Fino ad Euro 50.000.000.

A fini di chiarezza, si precisa che i proventi netti stimati riflettono i proventi che l'Emittente riceverà alla Data di Emissione. Non riflettono le commissioni pagabili al/i Collocatore/i.

Spese Nette Stimate:

EUR 3.000 pari alla commissione di quotazione minima nota all'Emittente alla Data di Emissione.

6. Andamento del Sottostante/Formula/Altre Variabili, Spiegazioni circa gli Effetti sul Valore dell'Investimento e Rischi Associati e altre Informazioni relative al Sottostante

Il Titolo "**Athena Relax**" è un Titolo denominato in Euro con scadenza a 3 anni che paga un Importo Premio il Giorno di Pagamento dell'Importo Premio ai sensi delle previsioni di cui alla Parte A § 40 (g).

Il Titolo potrebbe essere liquidato anticipatamente ai sensi delle previsioni di cui alla Parte A § 40 (t).

Se non liquidato anticipatamente, questo Titolo offre all'investitore l'opportunità di ricevere un Importo di Liquidazione in Contanti calcolato ai sensi delle previsioni di cui alla Parte A § 40 (u).

Il Titolo non è a capitale protetto. Gli investitori beneficiano di una protezione del capitale se il prezzo di chiusura ufficiale dell'Azione Sottostante sia superiore o pari al Livello Barriera alla Data di Valutazione della Liquidazione.

Di conseguenza gli investitori dovrebbero essere consapevoli che potrebbero affrontare la perdita parziale o totale del prezzo di acquisto dei loro Titoli.

Durante il periodo di mercato secondario, il prezzo del Titolo dipenderà dalle condizioni di mercato e potrebbe essere soggetto a fluttuazioni significative. Ove i Titoli siano venduti prima della Data di Liquidazione, vi è un'alta probabilità che l'investitore possa subire una perdita del proprio investimento.

Informazioni in merito alla *performance* storica del Sottostante possono essere ottenuti su Reuters.

Nome dell'emittente del titolo sottostante:

Deutsche Post AG

Deutsche Post AG offre servizi di consegna della posta e altri servizi al pubblico e alle aziende. La Società offre la consegna di posta a livello nazionale, consegna di pacchi e posta a livello internazionale, e consegna merci e servizi logistici. Deutsche Post offre anche una varietà di servizi finanziari, tra cui servizi bancari standard, prestiti *retail* e commerciali, e servizi di intermediazione.

Indirizzo:

Charles-de-Gaulle-Strasse 20
Bonn 53113
Germania

Sito Internet: www.dp-dhl.com

Codice ISIN del sottostante:

Si veda la Parte A, §23 (a).

Luogo in cui possono essere ottenute informazioni sul sottostante

La *performance* passata e futura e la volatilità delle Azioni sono altresì disponibili sul sito della Società dell'Azione e su Bloomberg.

Informazioni post-emissione:

L'Emittente non intende fornire informazioni post-emissione.

7. Informazioni Operative

Sistema di accentramento rilevante:

Monte Titoli.

8. Regolamento dell'Offerta Pubblica

Periodo di Offerta:

Dal 2 luglio 2012 al 31 luglio 2012.

Prezzo di Offerta:

Il Prezzo di Emissione (di cui un ammontare massimo annuo pari all'1,00% è rappresentato da commissioni pagabili al/i Collocatore/i).

Condizioni alle quali l'offerta è soggetta:

L'Offerta dei Titoli è condizionata alla loro emissione.

L'Emittente si riserva il diritto di revocare l'offerta o cancellare l'emissione dei Titoli per qualsiasi motivo in accordo con il/i Collocatore/i, ed in qualsiasi momento, anteriormente o alla Data di Emissione. Resta inteso che, qualora un potenziale investitore abbia presentato una richiesta di sottoscrizione e l'Emittente eserciti il proprio diritto di revocare l'offerta, tale potenziale investitore non avrà il diritto di sottoscrivere o acquistare in altro modo i Titoli.

Descrizione della procedura di adesione:	Dal 2 luglio 2012 al 31 luglio 2012, incluso, o la precedente data stabilita dall'Emittente e comunicata all'incirca in tale data precedente, mediante pubblicazione sul sito internet http://www.prodottidiborsa.com (la Data di Conclusione del Periodo di Offerta). Le adesioni all'offerta dei Titoli possono essere presentate in Italia attraverso il/i Collocatore/i e, salva disponibilità, mediante la piattaforma di trading online. L'attività di collocamento sarà svolta nel rispetto delle usuali procedure del/i Collocatore/i. Ai potenziali investitori non sarà richiesto di entrare in alcun rapporto contrattuale diretto con l'Emittente con riferimento alla sottoscrizione dei Titoli.
Dettagli dell'importo di adesione minimo e/o massimo:	Importo minimo di adesione per singolo investitore: EUR 100. Importo massimo di adesione per singolo investitore: EUR 500.000*Importo Nozionale. L'ammontare massimo di adesione per i Titoli sarà soggetto solo alla disponibilità al momento dell'adesione. Non sono previsti criteri di allocazione predeterminati. Il/i Collocatore/i adotterà/adotteranno criteri di allocazione che assicurino la parità di trattamento dei potenziali investitori. Tutti i Titoli richiesti attraverso il Collocatore/i durante il Periodo di Offerta saranno assegnati fino al raggiungimento dell'ammontare massimo dell'Offerta. Nel caso in cui durante il Periodo di Offerta le richieste eccedano l'ammontare totale dell'Offerta destinato ai potenziali investitori, l'Emittente, di intesa con il Collocatore/i, procederà alla chiusura anticipata del Periodo di Offerta e sospenderà immediatamente l'accettazione di ulteriori richieste.
Descrizione della possibilità di ridurre le adesioni e delle modalità di rimborso degli importi eccedenti versati dagli aderenti:	Non applicabile.
Dettagli della modalità e scadenze per il pagamento a saldo e la consegna dei Titoli:	I Titoli saranno emessi alla Data di Emissione verso pagamento all'Emittente da parte dei Collocatori dell'ammontare lordo di sottoscrizione. I Titoli sono regolati tramite le <i>clearing systems</i> e verranno consegnati attraverso il/i Collocatore/i alla, o attorno alla, Data di Emissione.
Modalità e data di pubblicazione dei risultati dell'offerta:	Pubblicazione attraverso l'accesso al seguente sito web (http://www.prodottidiborsa.com), in ciascun caso alla, o attorno alla, Data di Emissione.

Procedura per l'esercizio dei diritti di prelazione, negoziabilità dei diritti di adesione e trattamento dei diritti di adesione non esercitati:	Non applicabile
Categorie dei potenziali investitori destinatari dell'offerta dei Titoli:	Offerte possono essere effettuate in Italia tramite il/i Collocatore/i a qualsiasi soggetto. Agli investitori qualificati potranno essere assegnati solo quei Titoli che residuino dopo aver assegnato tutti i Titoli richiesti dal pubblico in Italia durante il Periodo d'Offerta. Negli altri stati dell'Area Economica Europea, eventuali offerte possono essere effettuate tramite il/i Collocatore/i esclusivamente ai sensi di una esenzione all'obbligo di pubblicare un prospetto, previsto dalla Direttiva Prospetti come attuata in tali paesi. Ogni investitore che non si trovi in Italia dovrà contattare il proprio consulente finanziario per ottenere ulteriori informazioni, e potrà acquistare i Titoli dal proprio consulente finanziario, banca o intermediario finanziario. Il numero di Titoli assegnati saranno comunicati agli aderenti direttamente dal/i Collocatore/i successivamente alla chiusura del Periodo di Offerta. Nessuna negoziazione sui Titoli potrà avere luogo prima della Data di Emissione.
Processo di comunicazione agli aderenti dell'importo assegnato e indicazione della possibilità di avviare le contrattazioni prima di tale comunicazione:	L'Emittente non è al corrente di alcuna spesa o tassa addebitata al sottoscrittore.
Ammontare di qualsiasi tassa o spesa addebitata al sottoscrittore o acquirente:	Per quanto riguarda il Prezzo di Offerta, che include le commissioni pagabili al/i Collocatore/i, si veda il paragrafo "Prezzo di Offerta" che precede. Per maggiori informazioni sul regime fiscale applicabile ai sottoscrittori in Italia, si veda l'Allegato al presente documento.

9. Collocamento e Sottoscrizione

Nome(i) ed indirizzo(i), per quanto a conoscenza dell'Emittente, dei luoghi nei vari paesi ove l'offerta si svolge:	Non applicabile.
Nome ed indirizzo del/i coordinatore/i dell'offerta globale e delle singole parti dell'offerta:	Non applicabile.
Nome ed indirizzo degli agenti per il pagamento e degli agenti per il deposito in ciascun Paese (in aggiunta al <i>Principal Paying Agent</i>)	BNP Paribas Securities Services, Succursale di Milano Via Ansperto 5, 20123 Milano, Italia.

Soggetti che acconsentono a sottoscrivere l'emissione in base a preventiva sottoscrizione, e soggetti che acconsentono a collocare l'emissione senza preventiva sottoscrizione o su base "*best effort*".

Il collocamento sarà effettuato da

Banca Nazionale del Lavoro S.p.A:

Via V.Veneto, 119

00187 Roma, Italia.

(il **Collocatore**)

L'Emittente si riserva il diritto di nominare altri collocatori durante il periodo di offerta, nomina che sarà comunicata agli investitori tramite avviso pubblicato sul sito <http://www.prodottidiborsa.com>

(congiuntamente al Collocatore, i **Collocatori**).

Nessun obbligo di sottoscrizione è assunto dal Collocatore.

Quando l'accordo di sottoscrizione è stato o sarà stato raggiunto:

Non applicabile.

10. Rendimento

Non applicabile.

11. Tasso di interesse storico

Non applicabile.

12. Notifica di rinuncia

NOTIFICA DI RINUNCIA

(da compilarsi a cura del Portatore del Titolo)

BNP Paribas Arbitrage Issuance B.V.

**Fino a 500.000 *Certificates* EUR "Athena Relax " legati ad Azioni Deutsche Post AG con data di liquidazione
7 agosto 2015**

Codice ISIN: NL0010220786

(i Titoli)

A: BNP Paribas Securities Services, Succursale di Milano
Via Ansperto 5, 20123 Milano, Italia
Fax n.: (39) 02 72474 444

Il sottoscritto Portatore dei Titoli:

comunica con la presente di rinunciare all'esercizio automatico, alla Data di Esercizio, dei diritti conferiti dai Titoli secondo il Regolamento dei Titoli, come modificato e/o integrato dalle Condizioni Definitive applicabili (i "**Termini dei Titoli**").

Numero di Serie dei Titoli:

Numero dei Titoli oggetto della presente notifica:

Il sottoscritto riconosce che, qualora la presente Notifica di Rinuncia non sia compilata e consegnata come previsto nei Termini dei Titoli o sia ritenuta incompleta o non avente una forma appropriata (secondo la determinazione dell'Agente Italiano per i Titoli), sarà ritenuta nulla.

Qualora la presente Notifica di Rinuncia sia successivamente corretta a soddisfacimento dell'Agente Italiano per i Titoli, la stessa sarà considerata come una nuova Notifica di Rinuncia presentata al momento della consegna di tale correzione all'Agente Italiano per i Titoli.

Le espressioni definite nei Termini dei Titoli avranno lo stesso significato alle stesse attribuito nella presente Notifica di Rinuncia.

Luogo e data:

Firma del Portatore:

Firma dell'investitore nei Titoli:

ALLEGATO
REGIME FISCALE ITALIANO

Le informazioni di seguito riportate riassumono la legislazione italiana e la prassi vigente in relazione al regime fiscale applicabile ai Titoli così come definiti nel Programma Warrant e Certificate. Le indicazioni di seguito riportate si basano sulle leggi vigenti in Italia alla data di redazione del presente Final Terms e sono soggette ad ogni variazione normativa intervenuta dopo tale data, variazione che potrebbe avere anche effetto retroattivo. Il seguente paragrafo non intende offrire un quadro completo ed esaustivo di tutti i profili fiscali che potrebbero rilevare al fine di valutare la sottoscrizione, l'acquisto, il possesso o la cessione dei Titoli. Non è altresì descritto il regime fiscale applicabile a tutte le possibili categorie di investitori, alcuni dei quali (come ad esempio gli intermediari istituzionali) potrebbero essere soggetti a regimi speciali.

I potenziali investitori sono invitati a rivolgersi ai propri consulenti fiscali per valutare accuratamente le conseguenze che possono derivare dalla sottoscrizione, dall'acquisto, dal possesso e dalla cessione dei Titoli.

Tassazione dei Titoli

I Warrants, i Certificates e gli altri strumenti derivati sono soggetti al regime fiscale previsto dall'art. 67 del D.P.R. 22 Dicembre 1986 n. 917 (TUIR), e del Decreto Legislativo 21 Novembre 1997 n. 461, se l'investitore è residente in Italia ed è (i) una persona fisica che non svolge un'attività d'impresa alla quale i Titoli siano connessi; (ii) una società di persone o un'associazione di cui all'art. 5 del TUIR, che non svolga attività commerciale (con l'esclusione delle società in nome collettivo, in accomandita semplice e di quelle ad esse equiparate); (iii) un ente privato o pubblico che non abbia per oggetto esclusivo o principale l'esercizio di attività commerciale; o (iv) un soggetto esente dall'imposta sul reddito delle persone giuridiche, le plusvalenze derivanti dal possesso e dalla negoziazione dei Titoli sono soggette ad un'imposta sostitutiva con aliquota pari al 20 per cento. Il percipiente può optare per i tre diversi criteri di applicazione dell'imposta sostitutiva di seguito elencati:

In base al cosiddetto "*regime della dichiarazione*" - che è il regime fiscale applicabile in via residuale ed in assenza di opzione per gli altri regimi impositivi, in capo alle persone fisiche residenti in Italia che non detengono i Titoli nell'ambito dell'attività di impresa - l'imposta sostitutiva è applicata, su base annuale, sull'importo complessivo delle plusvalenze, al netto delle eventuali minusvalenze, realizzate in relazione a tutte le vendite o i rimborsi dei Titoli effettuati nel corso di un determinato periodo di imposta. Tali investitori sono tenuti ad indicare le plusvalenze complessive - realizzate nel periodo di imposta, al netto delle relative minusvalenze - nella dichiarazione annuale dei redditi ed a versare la relativa imposta sostitutiva, unitamente alle altre imposte sui redditi dovute per il medesimo periodo d'imposta. Se, in relazione allo stesso periodo d'imposta, le minusvalenze sono superiori alle plusvalenze, l'eccedenza può essere riportata in deduzione dalle plusvalenze realizzate nei quattro periodi di imposta successivi. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

In alternativa al regime della dichiarazione, le persone fisiche residenti in Italia che detengono i Titoli non nell'ambito di un'attività d'impresa possono optare per l'applicazione dell'imposta sostitutiva sulle plusvalenze realizzate in occasione di ciascuna vendita o liquidazione dei Titoli, nell'ambito del cosiddetto "*regime del risparmio amministrato*" (di cui all'articolo 6 del Decreto Legislativo Nr. 461 del 21 Novembre 1997, come successivamente modificato di seguito: il "Decreto Nr. 461"). Questo regime è applicabile a condizione che: (i) i Titoli siano depositati presso banche italiane, SIM o altri intermediari finanziari autorizzati, e (ii) l'investitore abbia validamente esercitato, in forma scritta, l'opzione per accedere al regime del risparmio amministrato. Il depositario è responsabile per l'applicazione dell'imposta sostitutiva dovuta sulle plusvalenze realizzate a seguito di ciascuna cessione o liquidazione dei Titoli (ovvero in relazione alle plusvalenze realizzate in occasione di revoca del suo mandato), al netto delle eventuali minusvalenze, ed è tenuto a versare l'imposta sostitutiva all'Amministrazione finanziaria, per conto dell'investitore, prelevando il corrispondente ammontare dai redditi da accreditare all'investitore, oppure utilizzando fondi appositamente messi a disposizione dall'investitore stesso. Nel regime del risparmio amministrato, qualora dalla vendita o dalla liquidazione dei Titoli derivi una minusvalenza, tale minusvalenza può essere dedotta dalle plusvalenze della stessa natura, successivamente realizzate su titoli depositati presso il medesimo intermediario, nel corso dello stesso periodo di imposta oppure in quelli successivi, ma non oltre il quarto. In base al regime del risparmio amministrato, l'investitore non è tenuto ad indicare le

plusvalenze nella propria dichiarazione dei redditi annuale. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Le plusvalenze realizzate o maturate in capo a persone fisiche residenti in Italia che detengano i Titoli non nell'ambito dell'attività d'impresa e che abbiano affidato la gestione del loro patrimonio finanziario, compresi i Titoli, ad un intermediario autorizzato, optando per il cosiddetto "*regime del risparmio gestito*" (articolo 7 del Decreto Nr. 461), sono incluse nel calcolo del cosiddetto risultato maturato della gestione annuale. Sul risultato annuale di gestione è applicata un'imposta sostitutiva del 20 per cento, che deve essere prelevata dall'intermediario incaricato della gestione. Nel regime del risparmio gestito eventuali differenziali negativi nel risultato annuale della gestione possono essere dedotti dagli incrementi di valore registrati nei periodi successivi, non oltre il quarto. Ai fini del regime del risparmio gestito, l'investitore non è tenuto ad indicare i redditi derivanti dalla gestione patrimoniale nella propria dichiarazione dei redditi annuale. I risultati di gestione negativi maturati prima del 1 gennaio 2012 possono essere utilizzati per compensare, alle medesime condizioni indicate, risultati di gestione positivi maturati successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Quando l'investitore italiano è una società o un ente commerciale, o una stabile organizzazione in Italia di un soggetto non residente alla quale i Titoli siano connessi, le plusvalenze derivanti dai Titoli stessi non saranno soggette ad imposta sostitutiva, ma concorreranno a determinare il reddito imponibile dell'investitore stesso ai fini IRES (e, al verificarsi di determinate condizioni relative allo "status" dell'investitore, la base imponibile IRAP).

Le plusvalenze realizzate da un investitore che sia un fondo comune di investimento italiano aperto o chiuso (soggetto al regime fiscale previsto dalla Legge 23 marzo 1983, numero 77), ovvero una SICAV non saranno soggette ad imposta sostitutiva, ma saranno incluse nel risultato di gestione maturato alla fine del periodo d'imposta.

Le plusvalenze realizzate da un investitore che sia un fondo pensione italiano (soggetto al regime previsto dall'art. 17 del Decreto Legge 5 Dicembre 2005, n. 252) saranno incluse nel risultato di gestione maturato dal fondo alla fine del periodo di imposta e soggette ad un'imposta sostitutiva dell'11 per cento.

Le plusvalenze realizzate da soggetti non residenti derivanti dalla vendita o dalla liquidazione dei Titoli non sono soggette ad alcuna imposizione in Italia, a condizione che i Titoli stessi (i) siano negoziati in mercati regolamentati, o (ii) non siano detenuti in Italia.

Si applicano, al verificarsi delle relative condizioni e qualora più favorevoli all'investitore, le disposizioni dei trattati contro le doppie imposizioni stipulati dall'Italia.

Titoli atipici

I titoli che non si qualificano come strumenti derivati ai sensi dell'art. 67 del TUIR e, in conformità ad una differente interpretazione della vigente normativa fiscale, i Certificates potrebbero essere considerati come titoli "atipici" ai sensi e per gli effetti dell'Articolo 8 del Decreto Legge 30 settembre 1983, n. 512, convertito nella Legge 25 novembre 1983, n. 649.

La menzionata ritenuta non si applica ai pagamenti effettuati al possessore dei Titoli che non sia residente in Italia ed al possessore dei Titoli residente in Italia che sia (i) una società o altro ente commerciale (ivi compresa la stabile organizzazione in Italia di soggetti esteri); (ii) una società in nome collettivo, in accomandita semplice o ad esse assimilata; oppure (iii) un ente privato o pubblico che svolga una attività commerciale.

La ritenuta è applicata dai soggetti residenti incaricati dall'Emittente che intervengono nel pagamento dei proventi, nel riacquisto o nella negoziazione dei Titoli.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Imposte di successione e donazione

Ai sensi del Decreto Legge Nr. 262 del 3 ottobre 2006, (di seguito citato come il Decreto Nr. 262), convertito nella Legge Nr. 286 del 24 novembre 2006, il trasferimento di beni e diritti (incluse azioni, obbligazioni ed altri titoli) per effetto di successione o donazione è assoggettato ad imposta come segue:

- (i) il trasferimento a favore del coniuge e dei discendenti e ascendenti diretti è assoggettato ad imposta di successione o donazione nella misura del 4 per cento sul valore dei beni trasferiti per successione e donazione eccedente l'importo di EUR 1,000,000;
- (ii) il trasferimento a favore dei parenti entro il quarto grado ed affini in linea diretta nonché in favore degli affini in linea collaterale fino al terzo grado è assoggettato ad imposta di successione o donazione nella misura del 6 per cento del valore della donazione e della successione. Il trasferimento a favore di sorelle e fratelli sconta l'imposta di successione o donazione nella misura del 6 per cento sul valore complessivo netto eccedente, per ciascun beneficiario, EUR 100,000; e
- (iii) il trasferimento a favore di ogni altro beneficiario sconta l'imposta di donazione o successione nella misura dell'8 per cento.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Tassa sui contratti di Borsa

L'art. 37 del D.L. 31 Dicembre 2007 n. 248, ("**Decreto n. 248**") convertito nella Legge 28 Febbraio 2008, n. 31 pubblicata nella Gazzetta Ufficiale n. 51 del 29 Febbraio 2008, ha soppresso la tassa sui contratti di borsa prevista dal Regio Decreto 30 dicembre 1923 n. 3278, così come integrato e modificato dall'art. 1 del D. Lgs. 21 Novembre 1997 n. 435.

A seguito dell'abrogazione della tassa sui contratti di Borsa, a partire dal 31 Dicembre 2007, gli atti aventi ad oggetto la negoziazione di titoli scontano l'imposta di registro come segue: (i) gli atti pubblici e le scritture private

autenticate scontano l'imposta di registro in misura fissa pari a Euro 168 (ii) le scritture private non autenticate scontano l'imposta di registro solo in "caso d'uso" o a seguito di registrazione volontaria.

Imposta di bollo

Ai sensi dell'art. 19, comma 1, del D. L. 6 dicembre 2001, n. 201 (Decreto 201), un'imposta di bollo proporzionale si applica, su base annuale, alle comunicazioni periodiche inviate dagli intermediari finanziari ai loro clienti relative ai titoli depositati presso di loro. L'imposta di bollo si applica con aliquota pari allo 0,1 per cento per l'anno 2012 e allo 0,15 per cento per gli anni successivi, su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli. L'imposta di bollo non può essere inferiore a € 34,20 e, per il solo anno 2012 non può superare € 1.200.

Secondo una preliminare interpretazione della disposizione normativa, può ritenersi che l'imposta di bollo trovi applicazione sia con riferimento agli Investitori residenti che non residenti a condizione che i relativi Titoli siano detenuti presso un Intermediario avente sede in Italia.

Imposta sui titoli depositati all'estero

Ai sensi dell'art. 19, comma 18, del Decreto 201, le persone fisiche residenti in Italia che detengono i Titoli al di fuori del territorio italiano sono tenuti a pagare un'imposta con aliquota pari allo 0,1 per cento per l'anno 2012 e dello 0,15 per cento per gli anni successivi sulle attività finanziarie detenute all'estero.

Quest'imposta è calcolata su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli detenuti all'estero. I contribuenti hanno diritto ad un credito d'imposta pari alle equivalenti imposte pagate all'estero nei limiti dell'imposta pagabile in Italia.

Attuazione in Italia della Direttiva sulla tassazione dei redditi da risparmio

L'Italia ha dato attuazione alla Direttiva del Consiglio 2003/48/EC con il Decreto Legislativo 18 aprile 2005, n. 84 (Decreto n. 84). Ai sensi del Decreto n. 84, gli agenti pagatori qualificati ai sensi della Direttiva e residenti in Italia non applicano alcuna ritenuta alla fonte sugli interessi corrisposti a persone fisiche residenti in un altro Stato Membro dell'Unione Europea. Tuttavia, i suddetti agenti pagatori sono incaricati di fornire specifiche informazioni, alle autorità fiscali italiane, in merito ai pagamenti effettuati nonché ai beneficiari effettivi degli stessi. Le autorità fiscali italiane, a loro volta, trasmetteranno le relative informazioni alle competenti autorità fiscali dello Stato Membro in cui risiede il beneficiario.

NOTICE TO THE HOLDERS

Up to 500,000 EUR "Athena Relax " Certificates relating to Deutsche Post AG Shares due 7 August 2015

ISIN Code: NL0010220786

This Notice is dated 3 August 2012 and should be read in conjunction with the Final Terms dated 2 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 500,000 EUR "Athena Relax " Certificates relating to Deutsche Post AG Shares due 7 August 2015**, referred to here above, the total number of Securities to be issued is **200,000 Securities** (i.e. **EUR 20,000,000**) at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 7 August 2012.

The Holders are informed that on page 8 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Share_{Initial}** is the official closing price of the Underlying Share on the Strike Date (i.e. **EUR 14.64**)

Barrier Level is 55% x **Share_{Initial}** (i.e. **EUR 8.052**)

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the "**SeDeX**") (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 32(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 32(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 24.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**AFB Agreement**" is as defined in Condition 32(b)(iv);

"**AFB Rate**" is as defined in Condition 32(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

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

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**AIs**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"**Clearstream, Luxembourg**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Commodity OET Certificate**" means a Commodity Security that is an OET Certificate;

"**Commodity Securities**" is as defined in Condition 2.1;

"**Common Depositary**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Credit Securities**" is as defined in Condition 2.1;

"**Currency Event**" is as defined in Condition 15.1;

"**Currency OET Certificate**" means a Currency Security that is an OET Certificate;

"**Currency Securities**" is as defined in Condition 2.1;

"**Custodian**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Cut-off Date**" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Day Count Fraction**" is as defined in Condition 32(c);

"**Debt Securities**" is as defined in Condition 2.1;

"**Definitive Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Delivery Date**" is as defined in Condition 35.2(c);

"**Designated Account**" is as defined in Condition 35.1;

"**Designated Bank**" is as defined in Condition 35.1;

"**Designated Maturity**" is as defined in Condition 32(b)(iii);

"**Determination Date(s)**" is as defined in Condition 32(c);

"**Determination Period**" is as defined in Condition 32(c);

"**Disqualified Transferee**" is as defined in Condition 2.4(c);

"**Disruption Cash Settlement Price**" is as defined in Condition 5.1;

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

"**Documents**" is as defined in Condition 13.2(b);

"**DTC**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

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

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 24.4;

"**Madrid Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 28;

"**Monte Titoli**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**National Currency Unit**" is as defined in Condition 17(b);

"**New York Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**New York time**" is as defined in Condition 24.4;

"**Notice Period**" is as defined in Conditions 34.3 and 34.4

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**OET Certificate**" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 28;

"**Open End Certificate**" is as defined in Condition 28;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Date**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 34.3 and 34.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Payment Date**" is as defined in Condition 35.1;

"**Permanent Global Warrant**" is as defined in Condition 21;

"**Physical Delivery Certificates**" is as defined in Condition 30;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"**Underlying Reference Level**" is as defined in Condition 34.9(b);

"**Underlying Share**" is as defined in Condition 2.1;

"**Units**" is as defined in Condition 22;

"**U.S. Certificates**" is as defined in Condition 29;

"**U.S. Securities**" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"**U.S. Warrants**" is as defined in Condition 21;

"**Valid Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Time**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Vietnamese QI**" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"**Warrants**" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

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

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

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

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

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

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

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

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

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

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an **"Extraordinary Event"**, the consequences of which are set forth in Share Security Condition 4.2:

"De-Listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Illiquidity" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"Listing Change" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

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

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

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

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

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

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

1. Definitions

"Additional Extraordinary ETI Event" means any event specified as such in the applicable Final Terms;

"Basket Trigger Event" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

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

"Calculation Date" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"Clearance System" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

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

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

"Dividend Event" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

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

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

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

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

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

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

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

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

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

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

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

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The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

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

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

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

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

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

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

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

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

AVVISO n.18046	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto : BNP PARIBAS ARBITRAGE ISSUANCE
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	Twin Win Certificate su indice Eurostoxx 50		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

Twin Win Certificate su indice Eurostoxx 50

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "Twin Win Certificate su indice Eurostoxx 50" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Partecipazione Up %	Prima Barriera %	Secondo Strike	Partecipazione Down %	Livello Iniziale
1	NL0010220984	P20984	738412	BPAEUS50CCPTW2251,05PB65%E270715	EUROSTOXX 50	2251,05	27/07/15	100	20000	1	23	100	65	1463,1825	100	2251,05

FINAL TERMS DATED 9 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

Up to 100,000 EUR "Twin Win" Certificates relating to the EURO STOXX 50® Index
due 6 August 2015

ISIN Code: NL0010220984

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

The Securities are offered to the public in the Republic of Italy from 9 July 2012 to 26 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by the Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus

dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten - AFM) website www.afm.nl and copies of this document and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperto 5, 20123, Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN	Common Code	Issue Price per Security	Redemption Date
CE1715ELM	Up to 100,000	Up to 100,000	NL0010220984	080185189	EUR 100	6 August 2015

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas
3. **Trade Date:** 26 July 2012.
4. **Issue Date:** 31 July 2012.
5. **Consolidation:** Not applicable.
6. **Type of Securities:**

(a) Certificates.

(b) The Securities are Index Securities.

The Certificates are "**Twin Win**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 27 July 2015, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 1 (*Additional Terms and Conditions for Index Securities*) shall apply.
7. **Form of Securities:** Italian Dematerialised Securities.
8. **Business Day Centre(s):** The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9. **Settlement:** Settlement will be by way of cash payment (**Cash Settled Securities**).
10. **Variation of Settlement:** The Issuer does not have the option to vary settlement in respect of the Securities.
11. **Relevant Asset(s):** Not applicable.
12. **Entitlement:** Not applicable.
13. **Exchange Rate:** Not applicable.
14. **Settlement Currency:** The settlement currency for payment of the Cash Settlement Amount is Euro ("**EUR**").
15. **Syndication:** The Securities will be distributed on a non-syndicated basis.

- 16. Minimum Trading Size:** The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
- 17. Principal Security Agent:** BNP Paribas Securities Services, Milan Branch.
- 18. Registrar:** Not applicable.
- 19. Calculation Agent:** BNP Paribas Arbitrage S.N.C.
8 rue de Sofia, 75018 Paris, France.
- 20. Governing law:** English law.
- 21. Special conditions or other modifications to the Terms and Conditions:** **Minimum exercise number of Securities:** The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is **P20984**

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2)

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

ANNEX 1 (3)(2)

Paragraph (a) bis shall be deemed to be added between point (a) and (b):

"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 of the Securities".

The following shall be deemed to be deleted from Paragraph C (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of the paragraph 1 (3) (2):

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

PRODUCT SPECIFIC PROVISIONS

22. Index Securities:

Applicable.

(a) Index/Basket of Indices/Index Sponsor(s): The **Underlying Index** is the EURO STOXX 50[®] Index (Reuters Code: **.STOXX50E**/ Bloomberg Code: **SX5E < Index>**).

Stoxx Limited or any successor thereto is the Index Sponsor.

The EURO STOXX 50[®] Index is a Composite Index.

For the purposes of the Conditions, the Underlying Index shall be deemed an Index.

(b) Index Currency: EUR.

(c) Exchange(s): As set out in Annex 1 for a Composite Index.

(d) Related Exchange(s): All Exchanges.

(e) Exchange Business Day: Single Index Basis.

(f) Scheduled Trading Day: Single Index Basis.

(g) Weighting: Not applicable.

(h) Settlement Price: The Settlement Price will be calculated on the basis of the official

	Closing Level of the Index as announced by the Index Sponsor.
(i) Disrupted Day:	If the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Index Security Condition 1.
(j) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
(k) Valuation Time:	The Valuation Time will be the time when the official Closing Level of the Index is announced by the Index Sponsor.
(l) Delayed Redemption on Occurrence of an Index Adjustments Event:	Not applicable.
(m) Index Correction Period:	As per Conditions.
(n) Other terms or special conditions:	Not applicable.
(o) Additional provisions applicable to Custom Indices:	Not applicable.
(p) Additional provisions applicable to Futures Price Valuation:	Not applicable.
23. Share Securities:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.
26. Commodity Securities:	Not applicable.
27. Inflation Index Securities:	Not applicable.
28. Currency Securities:	Not applicable.
29. Fund Securities:	Not applicable.
30. Market Access Securities:	Not applicable.
31. Futures Securities:	Not applicable.
32. Credit Securities:	Not applicable.
33. Preference Share Certificates:	Not applicable.
34. OET Certificates:	Not applicable.
35. Additional Disruption Events:	Applicable.
	Hedging Disruption does not apply to the Securities.
36. Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities: Not applicable. (b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.
37. Knock-in Event:	Not applicable.
38. Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39. Provisions relating to Warrants: Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40. Provisions relating to Certificates: Applicable.

- (a) Notional Amount of each Certificate:** EUR 100
- (b) Partly Paid Certificates:** The Certificates are not Partly Paid Certificates.
- (c) Interest:** Not applicable.
- (d) Fixed Rate Provisions:** Not applicable.
- (e) Floating Rate Provisions:** Not applicable.
- (f) Linked Interest Certificates:** Not applicable.
- (g) Payment of Premium Amount(s):** Not applicable.
- (h) Index Linked Interest Certificates:** Not applicable.
- (i) Share Linked Interest Certificates:** Not applicable.
- (j) ETI Linked Interest Certificates:** Not applicable.
- (k) Debt Linked Interest Certificates:** Not applicable.
- (l) Commodity Linked Interest Certificates:** Not applicable.
- (m) Inflation Index Linked Interest Certificates:** Not applicable.
- (n) Currency Linked Interest Certificates:** Not applicable.
- (o) Fund Linked Interest Certificates:** Not applicable.
- (p) Futures Linked Interest Certificates:** Not applicable.
- (q) Instalment Certificates:** The Certificates are not Instalment Certificates.
- (r) Issuer Call Option:** Not applicable.
- (s) Holder Put Option:** Not applicable.
- (t) Automatic Early Redemption:** Not applicable.

(u) Cash Settlement Amount: Unless previously redeemed or purchased and cancelled by the Issuer, each Security will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Index_{Final}** is greater than or equal to the **Index_{Initial}**:

$$N \times \left[100\% + \text{Max} \left(23\%, \frac{\text{Index}_{\text{Final}} - \text{Index}_{\text{Initial}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

2) If, on the Redemption Valuation Date, **Index_{Final}** is less than **Index_{Initial}** but greater than or equal to the **Barrier Level**:

$$N \times \left[100\% + \text{Max} \left(0\%, \frac{\text{Index}_{\text{Initial}} - \text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) \right]$$

3) Otherwise:

$$N \times \frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}}$$

Where:

N is the Notional Amount of each Certificate (see §40(a));

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

Index_{Final} is the official Closing Level of the Underlying Index on Redemption Valuation Date;

Barrier Level is 65% x **Index_{Initial}**

Pursuant the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in §40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v) Renouncement Notice Cut-off Time:

5.00 p.m. (Milan Time) on the Scheduled Trading Day following the Exercise Date.

(w) Strike Date:

26 July 2012.

(x) Redemption Valuation Date:	The Exercise Date.
(y) Averaging:	Averaging does not apply to the Securities.
(z) Observation Dates:	Not applicable.
(aa) Observation Period:	Not applicable.
(bb) Settlement Business Day:	Not applicable.
(cc) Cut-off Date	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41. Selling Restrictions:	As set out in the Base Prospectus.
(a) Eligibility for sale of Securities in the United States to AIs:	The Securities are not eligible for sale in the United States to AIs.
(b) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A:	The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
(c) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act:	The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42. Additional U.S. Federal income tax consequences:	Not applicable.
43. Registered broker/dealer:	Not applicable.
44. Non exempt Offer:	An offer of the Securities will be made through Banca Nazionale Del Lavoro S.p.A. (the "Distributor", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "Distributors") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "Public Offer Jurisdiction") during the period from 9 July 2012 until 26 July 2012 during the hours in which the banks are open for business in the Republic of Italy (the "Offer Period"). See further Paragraph 8 of Part B below.

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. Collateral Security Conditions:	Not applicable.

Purpose of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:

A handwritten signature in blue ink, appearing to read 'C. Nastasa', with a long horizontal stroke extending to the right.

By: ..Cezar NASTASA.. Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to trading

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale Del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 0.50% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 10,000,000.

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).

Estimated total expenses:

EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The "Twin Win" Security is a EUR denominated Security with a 3-year maturity.

The Security offers the possibility to receive on the Redemption Date a Cash Settlement Amount pursuant to the provisions detailed in Part A §40(u).

The Securities are not capital protected. The investors will benefit from a capital protection if the Underlying Index closes at a level greater than or equal to the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold, before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Information and historical performances on the relevant Index are available on the website: www.stoxx.com

7. Operational Information

Relevant Clearing System(s): Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period: From 9 July 2012 to 26 July 2012

Offer Price: The Issue Price (of which a maximum annual amount of 0.50% is represented by commissions payable to the Distributor(s)).

Conditions to which the offer is subject: The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process: From 9 July 2012 to, and including, 26 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the Distributor. The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application: Minimum subscription amount per investor: EUR 100

Maximum subscription amount per investor: 100,000 x Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

Details of the method and time limits for paying up and delivering Securities:

The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys.

The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.

Manner in and date on which results of the offer are to be made public:

Publication by loading the following link (<http://www.prodottidiborsa.com>) in each case on or around the Issue Date.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable.

Categories of potential investors to which the Securities are offered:

Offers may be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary.

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period.

No dealings in the Securities may take place prior to the Issue Date.

Amount of any expenses and taxes specifically charges to the subscriber or purchaser:

The Issuer is not aware of any expenses and taxes specifically charged to the subscriber.

For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price".

For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place:

Not applicable.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:

Not applicable.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):

BNP Paribas Securities Services, Milan Branch
Via Ansperto 5, 20123, Milano, Italy.

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:

The placement activity will be carried out by:

Banca Nazionale del Lavoro S.p.A.
Via V. Veneto 119
00187 Rome, Italy.

(the **Distributor**)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached:

Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE

(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

**Up to 100,000 EUR "Twin Win" Certificates relating to the EURO STOXX 50® Index
due 6 August 2015**

ISIN Code: NL0010220984

(the Securities)

To: **BNP Paribas Securities Services, Milan Branch**

Via Ansperto 5, 20123, Milano, Italy
Fax No:(39) 02 72474 444

We/I the undersigned Holder(s) of the Securities

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder

Name of beneficial owner of the Securities

Signature

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward

to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such

information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Index Disclaimer

Neither the Issuer nor the Guarantor shall have any liability for any act or failure to act by an Index Sponsor in connection with the calculation, adjustment or maintenance of an Index. Except as disclosed prior to the Issue Date, neither the Issuer, the Guarantor nor their affiliates has any affiliation with or control over an Index or Index Sponsor or any control over the computation, composition or dissemination of an Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning an Index.

EURO STOXX 50® Index

STOXX and its licensors (the "Licensors") have no relationship to BNP PARIBAS, other than the licensing of the EURO STOXX 50® Index and the related trademarks for use in connection with the Certificates.

STOXX and its Licensors do not:

- ▪ *Sponsor, endorse, sell or promote the Certificates.*
- ▪ *Recommend that any person invest in the Certificates or any other securities.*
- ▪ *Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Certificates.*
- ▪ *Have any responsibility or liability for the administration, management or marketing of the Certificates.*
- ▪ *Consider the needs of the Certificates or the owners of the Certificates in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so.*

STOXX and its Licensors will not have any liability in connection with the Certificates. Specifically,

- *STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:*
 - *The results to be obtained by the Certificates, the owner of the Certificates or any other person in connection with the use of the EURO STOXX 50® Index and the data included in the EURO STOXX 50® Index;*
 - *The accuracy or completeness of the EURO STOXX 50® Index and its data;*
 - *The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data;*
- *STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data;*
- *Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.*

The licensing agreement between BNP PARIBAS and STOXX is solely for their benefit and not for the benefit of the owners of the Certificates or any other third parties.

NOTICE TO THE HOLDERS

Up to 100,000 EUR "Twin Win" Certificates relating to the EURO STOXX 50[®] Index due 6 August 2015

ISIN Code: NL0010220984

This Notice is dated 27 July 2012 and should be read in conjunction with the Final Terms dated 9 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 100,000 EUR "Twin Win" Certificates relating to the EURO STOXX 50[®] Index due 6 August 2015**, referred to here above, the total number of Securities to be issued is **20,000 Securities (i.e. EUR 2,000,000)** at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 31 July 2012.

The Holders are informed that on page 8 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Index_{Initial}** is the official Closing Level of the Index on the Strike Date (i.e. **2,251.05**);

- **Barrier Level** is 65% x **Index_{Initial}** (i.e. **1,463.1825**).

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the **SeDeX**) (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 32(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 32(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 24.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**AFB Agreement**" is as defined in Condition 32(b)(iv);

"**AFB Rate**" is as defined in Condition 32(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

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

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**AIs**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"**Clearstream, Luxembourg**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Commodity OET Certificate**" means a Commodity Security that is an OET Certificate;

"**Commodity Securities**" is as defined in Condition 2.1;

"**Common Depositary**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Credit Securities**" is as defined in Condition 2.1;

"**Currency Event**" is as defined in Condition 15.1;

"**Currency OET Certificate**" means a Currency Security that is an OET Certificate;

"**Currency Securities**" is as defined in Condition 2.1;

"**Custodian**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Cut-off Date**" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Day Count Fraction**" is as defined in Condition 32(c);

"**Debt Securities**" is as defined in Condition 2.1;

"**Definitive Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Delivery Date**" is as defined in Condition 35.2(c);

"**Designated Account**" is as defined in Condition 35.1;

"**Designated Bank**" is as defined in Condition 35.1;

"**Designated Maturity**" is as defined in Condition 32(b)(iii);

"**Determination Date(s)**" is as defined in Condition 32(c);

"**Determination Period**" is as defined in Condition 32(c);

"**Disqualified Transferee**" is as defined in Condition 2.4(c);

"**Disruption Cash Settlement Price**" is as defined in Condition 5.1;

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

"**Documents**" is as defined in Condition 13.2(b);

"**DTC**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

"Local Time" means local time in the city of the relevant Clearing System;

"Loss of Stock Borrow" is as defined in Condition 15.1;

"Luxembourg or Brussels time" is as defined in Condition 24.4;

"Madrid Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Maximum Stock Loan Rate" is as defined in Condition 15.1;

"Modified Postponement" is as defined in Condition 28;

"Monte Titoli" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"National Currency Unit" is as defined in Condition 17(b);

"New York Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"New York time" is as defined in Condition 24.4;

"Notice Period" is as defined in Conditions 34.3 and 34.4

"Observation Date" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"Observation Period" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"OET Certificate" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"Omission" is as defined in Condition 28;

"Open End Certificate" is as defined in Condition 28;

"Optional Additional Disruption Event" is as defined in Condition 15.1;

"Optional Redemption Amount" is as defined in Conditions 34.3 and 34.4;

"Optional Redemption Date" is as defined in Conditions 34.3 and 34.4;

"Optional Redemption Valuation Date" is as defined in Conditions 34.3 and 34.4;

"Original Currency" is as defined in Condition 17(a)(ii);

"Payment Date" is as defined in Condition 35.1;

"Permanent Global Warrant" is as defined in Condition 21;

"Physical Delivery Certificates" is as defined in Condition 30;

"Physical Delivery Securities" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"Physical Delivery Warrants" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"**Underlying Reference Level**" is as defined in Condition 34.9(b);

"**Underlying Share**" is as defined in Condition 2.1;

"**Units**" is as defined in Condition 22;

"**U.S. Certificates**" is as defined in Condition 29;

"**U.S. Securities**" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"**U.S. Warrants**" is as defined in Condition 21;

"**Valid Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Time**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Vietnamese QI**" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"**Warrants**" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

(vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and

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

all as provided in the Agency Agreement.

(c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

(a) In the case of Cash Settled Warrants, the Exercise Notice shall:

(i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;

(iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;

(v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and

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

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

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

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

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

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

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

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

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

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

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

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an "**Extraordinary Event**", the consequences of which are set forth in Share Security Condition 4.2:

"**De-Listing**" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Illiquidity**" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the "**Relevant Period**"), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Listing Change**" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

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

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

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

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

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

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

1. Definitions

"Additional Extraordinary ETI Event" means any event specified as such in the applicable Final Terms;

"Basket Trigger Event" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

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

"Calculation Date" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"Clearance System" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

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

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

"Dividend Event" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

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

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

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

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

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

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

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

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

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

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

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

V. 4.7
XII. 4.2.3

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

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

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

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

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

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

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

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

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

AVVISO n.18048	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto : BNP PARIBAS ARBITRAGE ISSUANCE
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	1 Athena Plus Certificate su indice Eurostoxx 50		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

1 Athena Plus Certificate su indice Eurostoxx 50

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo
Modalità di negoziazione:	La data di negoziazione ex-diritto al pagamento dell'importo periodico decorre dal secondo giorno di mercato aperto antecedente le rispettive record date.

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "1 Athena Plus Certificate su indice Eurostoxx 50" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Secondo Strike	Livello Iniziale
1	NL0010220901	P20901	738419	BPAEUS50CCPXP2325,72AE310714	EUROSTOXX 50	2325,72	31/07/14	100	20000	1	25	1395,432	2325,72

FINAL TERMS DATED 9 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

**Up to 20,000 EUR "Athena Plus" Certificates relating to the EURO STOXX 50® Index
due 7 August 2014**

ISIN Code: NL0010220901

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

The Securities are offered to the public in the Republic of Italy from 9 July 2012 to 31 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by the Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus

dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten - AFM) website www.afm.nl and copies of this document and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperto 5, 20123, Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN	Common Code	Issue Price per Security	Redemption Date
CE684MAV	Up to 20,000	Up to 20,000	NL0010220901	080135831	EUR 100	7 August 2014

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas
3. **Trade Date:** 31 July 2012.
4. **Issue Date:** 7 August 2012.
5. **Consolidation:** Not applicable.
6. **Type of Securities:**
 - (a) Certificates.
 - (b) The Securities are Index Securities.

The Certificates are "**Athena Plus**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 31 July 2014, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 1 (*Additional Terms and Conditions for Index Securities*) shall apply.
7. **Form of Securities:** Italian Dematerialised Securities.
8. **Business Day Centre(s):** The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9. **Settlement:** Settlement will be by way of cash payment (**Cash Settled Securities**).
10. **Variation of Settlement:** The Issuer does not have the option to vary settlement in respect of the Securities.
11. **Relevant Asset(s):** Not applicable.
12. **Entitlement:** Not applicable.
13. **Exchange Rate:** Not applicable.
14. **Settlement Currency:** The settlement currency for payment of the Cash Settlement Amount is Euro ("**EUR**").
15. **Syndication:** The Securities will be distributed on a non-syndicated basis.

- 16. Minimum Trading Size:** The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
- 17. Principal Security Agent:** BNP Paribas Securities Services, Milan Branch.
- 18. Registrar:** Not applicable.
- 19. Calculation Agent:** BNP Paribas Arbitrage S.N.C.
8 rue de Sofia, 75018 Paris, France.
- 20. Governing law:** English law.
- 21. Special conditions or other modifications to the Terms and Conditions:** **Minimum exercise number of Securities:** The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is **P20901**

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2)

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

ANNEX 1 (3)(2)

Paragraph (a) bis shall be deemed to be added between point (a) and (b):

"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 of the Securities".

The following shall be deemed to be deleted from Paragraph C (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of the paragraph 1 (3) (2):

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

PRODUCT SPECIFIC PROVISIONS

22. Index Securities:

Applicable.

(a) Index/Basket of Indices/Index Sponsor(s): The **Underlying Index** is the EURO STOXX 50[®] Index (Reuters Code: **.STOXX50E**/ Bloomberg Code: **SX5E < Index>**).

Stoxx Limited or any successor thereto is the Index Sponsor.

The EURO STOXX 50[®] Index is a Composite Index.

For the purposes of the Conditions, the Underlying Index shall be deemed an Index.

(b) Index Currency: EUR.

(c) Exchange(s): As set out in Annex 1 for a Composite Index.

(d) Related Exchange(s): All Exchanges.

(e) Exchange Business Day: Single Index Basis.

(f) Scheduled Trading Day: Single Index Basis.

(g) Weighting: Not applicable.

(h) Settlement Price: The Settlement Price will be calculated on the basis of the official

	Closing Level of the Index as announced by the Index Sponsor.
(i) Disrupted Day:	If any Automatic Early Redemption Valuation Date, or the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Index Security Condition 1.
(j) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
(k) Valuation Time:	The Valuation Time will be the time when the official Closing Level of the Index is announced by the Index Sponsor.
(l) Delayed Redemption on Occurrence of an Index Adjustments Event:	Not applicable.
(m) Index Correction Period:	As per Conditions.
(n) Other terms or special conditions:	Not applicable.
(o) Additional provisions applicable to Custom Indices:	Not applicable.
(p) Additional provisions applicable to Futures Price Valuation:	Not applicable.
23. Share Securities:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.
26. Commodity Securities:	Not applicable.
27. Inflation Index Securities:	Not applicable.
28. Currency Securities:	Not applicable.
29. Fund Securities:	Not applicable.
30. Market Access Securities:	Not applicable.
31. Futures Securities:	Not applicable.
32. Credit Securities:	Not applicable.
33. Preference Share Certificates:	Not applicable.
34. OET Certificates:	Not applicable.
35. Additional Disruption Events:	Applicable.
	Hedging Disruption does not apply to the Securities.
36. Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities: Not applicable. (b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.
37. Knock-in Event:	Not applicable.
38. Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39. Provisions relating to Warrants: Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40. Provisions relating to Certificates: Applicable.

- (a) Notional Amount of each Certificate:** EUR 100
- (b) Partly Paid Certificates:** The Certificates are not Partly Paid Certificates.
- (c) Interest:** Not applicable.
- (d) Fixed Rate Provisions:** Not applicable.
- (e) Floating Rate Provisions:** Not applicable.
- (f) Linked Interest Certificates:** Not applicable.
- (g) Payment of Premium Amount(s):** Applicable.
- (i) Premium Amount(s):** EUR 4.50 per Certificate.
- (ii) Linked Premium Amount Certificates:** Not applicable.
- (iii) Premium Amount Payment Date(s):**

12 August 2013; provided that if the Premium Amount Payment Date would otherwise fall on a day which is not a Business Day, the Premium Amount Payment Date shall be postponed to the next day which is a Business Day.

For the avoidance of doubt, each Certificate pays the Premium Amount on the Premium Amount Payment Date provided however that no Automatic Early Redemption (as specified in PART-A § 40(t) below) has occurred on 31 July 2013. If such Automatic Early Redemption has occurred on such date, no Premium Amount will be paid on the Premium Amount Payment Date.
- (iv) Premium Amount Record Date(s):**

6 August 2013; provided that if the Premium Amount Record Date would otherwise fall on a day which is not a Business Day, the Premium Amount Record Date shall be postponed to the next day which is a Business Day.
- (h) Index Linked Interest Certificates:** Not applicable.
- (i) Share Linked Interest Certificates:** Not applicable.
- (j) ETI Linked Interest Certificates:** Not applicable.
- (k) Debt Linked Interest Certificates:** Not applicable.

(l) Commodity Linked Interest Certificates:	Not applicable.
(m) Inflation Index Linked Interest Certificates:	Not applicable.
(n) Currency Linked Interest Certificates:	Not applicable.
(o) Fund Linked Interest Certificates:	Not applicable.
(p) Futures Linked Interest Certificates:	Not applicable.
(q) Instalment Certificates:	The Certificates are not Instalment Certificates.
(r) Issuer Call Option:	Not applicable.
(s) Holder Put Option:	Not applicable.
(t) Automatic Early Redemption:	Applicable.
	If, on the Automatic Early Redemption Valuation Date _i indicated in the table below, the official Closing Level of the Underlying Index is greater than or equal to its Automatic Early Redemption Level _i , the Security will be automatically early redeemed and the Holder will receive, on the Automatic Early Redemption Date _i , payment of Automatic Early Redemption Amount _i as set out in the table below:

i	Automatic Early Redemption Valuation Date_i	Automatic Early Redemption Level_i	Automatic Early Redemption Amount_i	Automatic Early Redemption Date_i
1	31 July 2013	100% x Index _{Initial}	EUR 104.50	12 August 2013

(i) Automatic Early Redemption Amount:	See table above.
(ii) Automatic Early Redemption Date(s):	See table above.
(iii) Automatic Early Redemption Level:	See table above.
(iv) Automatic Early Redemption Rate:	Not applicable.
(v) Automatic Early Redemption Valuation Date(s):	See table above.
(u) Cash Settlement Amount:	Unless previously redeemed or purchased and cancelled by the Issuer, each Security will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Index_{Final}** is greater than or equal to the **Barrier Level**:

$$N \times [100\% + 9\%]$$

2) Otherwise:

$$N \times \frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}}$$

Where:

N is the Notional Amount of each Certificate (see §40(a));

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

Index_{Final} is the official Closing Level of the Underlying Index on the Redemption Valuation Date;

Barrier Level is $60\% \times \text{Index}_{\text{Initial}}$

Pursuant the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in §40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v) Renouncement Notice Cut-off Time:	5.00 p.m. (Milan Time) on the Scheduled Trading Day following the Exercise Date.
(w) Strike Date:	31 July 2012.
(x) Redemption Valuation Date:	The Exercise Date.
(y) Averaging:	Averaging does not apply to the Securities.
(z) Observation Dates:	Not applicable.
(aa) Observation Period:	Not applicable.
(bb) Settlement Business Day:	Not applicable.
(cc) Cut-off Date	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41. **Selling Restrictions:** As set out in the Base Prospectus.
- (a) **Eligibility for sale of Securities in the United States to AIs:** The Securities are not eligible for sale in the United States to AIs.
- (b) **Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A:** The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
- (c) **Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act:** The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42. **Additional U.S. Federal income tax consequences:** Not applicable.
43. **Registered broker/dealer:** Not applicable.
44. **Non exempt Offer:** An offer of the Securities will be made through **Banca Nazionale Del Lavoro S.p.A.** (the "**Distributor**", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "**Public Offer Jurisdiction**") during the period from **9 July 2012 until 31 July 2012** during the hours in which the banks are open for business in the Republic of Italy (the "**Offer Period**").
- See further Paragraph 8 of Part B below.

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. **Collateral Security Conditions:** Not applicable.

Purpose of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:

A handwritten signature in blue ink, appearing to read "C. Nastasa", with a horizontal line drawn underneath it.

By: ..Cezar NASTASA.. Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to trading

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale Del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 0.75% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 2,000,000.

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).

Estimated total expenses:

EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The "Athena Plus" Security is a EUR denominated Security with a 2-year maturity that pays the Premium Amount on the Premium Amount Payment Date, as described in Part A § 40 (g).

This Security may be automatically early redeemed pursuant to the provisions detailed in Part A §40(t).

If not automatically early redeemed, the Security offers the possibility to receive on the Redemption Date a Cash Settlement Amount pursuant to the provisions detailed in Part A §40(u).

The Securities are not capital protected. The investors will benefit from a capital protection if the Underlying Index closes at a level greater than or equal to the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold, before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Information and historical performances on the relevant Index are available on the website: www.stoxx.com

7. Operational Information

Relevant Clearing System(s): Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period: From 9 July 2012 to 31 July 2012

Offer Price: The Issue Price (of which a maximum annual amount of 0.75% is represented by commissions payable to the Distributor(s)).

Conditions to which the offer is subject: The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process: From 9 July 2012 to, and including, 31 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the trading-online platform. The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application: Minimum subscription amount per investor: EUR 100

	Maximum subscription amount per investor: 20,000 x Notional Amount.
	The maximum amount of application of Securities will be subject only to availability at the time of the application.
	There are no pre-identified allotment criteria. The Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.
	In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not applicable.
Details of the method and time limits for paying up and delivering Securities:	The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys. The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.
Manner in and date on which results of the offer are to be made public:	Publication by loading the following link (http://www.prodottidiborsa.com) in each case on or around the Issue Date.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not applicable.
Categories of potential investors to which the Securities are offered:	Offers may be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus. Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary.
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period. No dealings in the Securities may take place prior to the Issue Date.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	The Issuer is not aware of any expenses and taxes specifically charged to the subscriber. For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price". For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place:

Not applicable.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:

Not applicable.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):

BNP Paribas Securities Services, Milan Branch
Via Ansperto 5, 20123, Milano, Italy.

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:

The placement activity will be carried out by:

Banca Nazionale del Lavoro S.p.A.
Via V. Veneto 119
00187 Rome, Italy.

(the **Distributor**)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached:

Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renunciation Notice

RENOUNCEMENT NOTICE

(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

**Up to 20,000 EUR "Athena Plus" Certificates relating to the EURO STOXX 50® Index
due 7 August 2014**

ISIN Code: NL0010220901

(the Securities)

To: **BNP Paribas Securities Services, Milan Branch**

Via Ansperto 5, 20123, Milano, Italy
Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder

Name of beneficial owner of the Securities

Signature

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward

to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such

information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Index Disclaimer

Neither the Issuer nor the Guarantor shall have any liability for any act or failure to act by an Index Sponsor in connection with the calculation, adjustment or maintenance of an Index. Except as disclosed prior to the Issue Date, neither the Issuer, the Guarantor nor their affiliates has any affiliation with or control over an Index or Index Sponsor or any control over the computation, composition or dissemination of an Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning an Index.

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Di seguito è riportato in lingua italiana il contenuto dei *Final Terms* (cd. Condizioni Definitive), applicabili agli strumenti finanziari di seguito individuati, fermo restando che (i) il testo di lingua inglese prevarrà in caso di eventuale divergenza con, od omissioni nella, presente traduzione, (ii) ai sensi della vigente normativa applicabile in materia di prospetti, non sussiste alcun obbligo di effettuare, ovvero consegnare, la presente ai potenziali investitori, né di trasmetterla ad alcuna autorità, (iii) la presente traduzione è effettuata esclusivamente al fine di agevolare la lettura da parte dei potenziali investitori del testo in lingua inglese dei *Final Terms* redatto ai sensi dell'Articolo 5.4 della Direttiva Prospetti (come di seguito definita), e, in tal senso, (iv) i potenziali investitori sono invitati, ai fini di avere una informativa completa sull'Emittente e sull'offerta degli strumenti finanziari, di seguito individuati, a leggere attentamente le informazioni contenute nei *Final Terms* e nel Prospetto di Base ed in ogni relativo supplemento e documentazione di offerta di seguito individuata.

CONDIZIONI DEFINITIVE DATATE 9 luglio 2012

BNP Paribas Arbitrage Issuance B.V.

(società di diritto olandese)

(in qualità di Emittente)

BNP Paribas

(società di diritto francese)

(in qualità di Garante)

Programma di Warrant e Certificate

Fino a 20.000 Titoli EUR " Athena Plus" legati all'Indice EURO STOXX 50[®] con scadenza

7 agosto 2014

Codice ISIN: NL0010220901

BNP Paribas Arbitrage S.N.C.

(in qualità di Manager)

I Titoli sono offerti al pubblico in Italia dal 9 luglio 2012 al 31 luglio 2012

Il Prospetto di Base a cui si fa riferimento di seguito (come completato dalle presenti Condizioni Definitive) è stato predisposto sulla base del fatto che, fatta eccezione per quanto previsto al seguente sotto-paragrafo (ii), ogni offerta di Titoli in qualsiasi Stato Membro dello Spazio Economico Europeo che ha attuato la Direttiva Prospetti (ciascuno, uno "**Stato Membro Rilevante**") sarà effettuata ai sensi di una esenzione prevista dalla Direttiva Prospetti, come attuata in tale Stato Membro Rilevante, dall'obbligo di pubblicare un prospetto per l'offerta dei Titoli. Pertanto, ogni persona che promuova o che intenda promuovere un'offerta dei Titoli può farlo esclusivamente:

- (i) in circostanze in cui non sorge l'obbligo per l'Emittente o per qualsiasi Manager di pubblicare un prospetto ai sensi dell'Articolo 3 della Direttiva Prospetti o di supplementare un prospetto ai sensi dell'Articolo 16 della Direttiva Prospetti, in ciascun caso, in relazione a tale offerta; o
- (ii) in quelle giurisdizioni indicate al Paragrafo 44 della Parte A che segue, posto che tale persona sia una delle persone indicate nel Paragrafo 44 della Parte A che segue e che tale offerta sia promossa durante il Periodo di Offerta ivi indicato.

Né l'Emittente né alcuno dei Manager ha autorizzato, né autorizza, lo svolgimento di alcuna offerta di Titoli in alcuna altra circostanza.

Il termine "**Direttiva Prospetti**" indica la Direttiva 2003/71/CE (e le relative modifiche alla stessa, inclusa la Direttiva di Modifica della Direttiva Prospetti del 2010, nella misura in cui è stata attuata nello Stato Membro Rilevante), ed include ciascuna relativa misura di recepimento nello Stato Membro Rilevante ed il termine **Direttiva di Modifica della Direttiva Prospetti del 2010** si riferisce alla Direttiva 2010/73/UE.

Gli investitori dovrebbero considerare che, ove un supplemento al, o una versione aggiornata del, Prospetto di Base menzionato di seguito sia pubblicato in qualsiasi momento durante il Periodo di Offerta (come di seguito definito), tale supplemento o Prospetto di Base aggiornato, a seconda del caso, sarà pubblicato e reso disponibile con le medesime modalità adottate per la pubblicazione delle presenti Condizioni Definitive. Qualsiasi investitore che abbia aderito all'Offerta (come di seguito definita) prima della data di pubblicazione di tale supplemento o versione aggiornata del Prospetto di Base, a seconda del caso, (la "**Data di Pubblicazione** ") ha il diritto entro due giorni lavorativi dalla Data di Pubblicazione di revocare la propria adesione.

PARTE A – CONDIZIONI CONTRATTUALI

I termini utilizzati nel presente documento sono definiti ai fini delle Condizioni di cui al Prospetto di Base datato 1 giugno 2012 che costituisce un prospetto di base ai sensi della Direttiva 2003/71/CE (la **Direttiva Prospetti**) come modificata (comprese le modifiche apportate dalla Direttiva 2010/73/UE (la **Direttiva del 2010 di Modifica della Direttiva Prospetti**) nella misura in cui tali modifiche siano state attuate in uno Stato Membro rilevante). Il Prospetto di Base datato 1 giugno 2012 è stato passaportato in Italia in conformità all'Articolo 18 della Direttiva Prospetti. Il presente documento costituisce le Condizioni Definitive dei Titoli qui descritti ai fini dell'Articolo 5.4 della Direttiva Prospetti e va letto unitamente al Prospetto di Base. L'informativa completa su BNP Paribas Arbitrage Issuance B.V. (**l'Emittente**), nonché sull'offerta dei Titoli è ricavabile solo sulla base della consultazione congiunta delle presenti Condizioni Definitive e del Prospetto di Base. Il Prospetto di Base è disponibile per la consultazione presso il sito internet dell'Autorità Olandese per i Mercati Finanziari (**Autoriteit Financiële Markten - AFM**) www.afm.nl, e copie di tali documenti e delle Condizioni Definitive possono essere ottenute gratuitamente presso BNP Paribas Securities Services, Succursale di Milano, Via Ansperto 5, 20123 Milano, Italia.

Nel presente documento, qualsiasi riferimento numerico alle Condizioni è fatto al regolamento della rilevante serie di Titoli e i termini e le espressioni definiti nel predetto regolamento avranno lo stesso significato nelle presenti Condizioni Definitive, in quanto si riferiscano ai medesimi Titoli e salvo ove diversamente ed espressamente specificato.

Le presenti Condizioni Definitive riguardano la serie di Titoli indicata al paragrafo "Disposizioni Generali relative ad ogni Serie" che segue. Nel presente documento, con "**Titoli**" si intende fare riferimento ai Titoli oggetto delle presenti Condizioni Definitive. Pertanto, ogni riferimento a "**Titolo**" deve essere interpretato di conseguenza.

Numero di serie	N. di Titoli emessi	N. di Titoli	Codice ISIN	Common Code	Prezzo di emissione per Certificate	Data di Liquidazione:
CE684MAV	Fino a 20.000	Fino a 20.000	NL0010220901	080135831	EUR 100	7 agosto 2014

La Data di Liquidazione sarà soggetta a rettifiche ai sensi della *Following Business Day Convention*.

DISPOSIZIONI GENERALI

Ad ogni Serie di Titoli si applicano le seguenti condizioni:

1. Emittente: BNP Paribas Arbitrage Issuance B.V.
2. Garante: BNP Paribas
3. Data di *Trade*: 31 luglio 2012
4. Data di Emissione: 7 agosto 2012
5. Consolidamento: Non applicabile.
6. Tipo di Titoli:
 - (a) *Certificates*.
 - (b) I Titoli sono Titoli legati ad Indice.
 - (c) I Titoli sono Titoli Euro "*Athena Plus*".

L'Esercizio Automatico si applica alla Data di Esercizio.

La **Data di Esercizio** è il 31 luglio 2014 o, qualora tale giorno non sia un Giorno Lavorativo, il Giorno Lavorativo immediatamente successivo.

Alla Data di Esercizio si applicheranno i medesimi aggiustamenti applicabili alla Data di Valutazione della Liquidazione. Ai fini di Borsa Italiana, la Data di Esercizio deve considerarsi la data di scadenza dei Titoli, ovvero la data in cui i Titoli scadono.

Si applicano le previsioni dell'*Annex 1 (Ulteriori termini e condizioni per Titoli legati ad Indice)*.

7. Forma dei Titoli: Titoli italiani dematerializzati.
8. Centro(i) del Giorno Lavorativo (*Business Day Center*): Il Centro del Giorno Lavorativo applicabile ai fini della definizione di "Giorno Lavorativo" di cui alla Condizione 1 è TARGET2.
9. Liquidazione: La liquidazione avverrà mediante pagamento in contanti (**Titoli con liquidazione in contanti**).

10.	Variazione della modalità di Liquidazione:	
	(a) Opzione dell'Emittente di variare la liquidazione:	L'Emittente non ha la possibilità di variare la liquidazione con riferimento ai Titoli.
	(b) Variazione della Liquidazione per i Titoli con Consegna Fisica	Non applicabile
11.	Asset(s) Rilevanti:	Non applicabile.
12.	Entitlement:	Non applicabile.
13.	Tasso di Cambio:	Non applicabile.
14.	Valuta di Liquidazione:	La valuta di liquidazione per il pagamento dell'Importo di Liquidazione in Contanti è l'Euro ("EUR").
15.	Sindacazione:	I Titoli saranno distribuiti su base non sindacata.
16.	Taglio Minimo di Negoziazione:	Il taglio minimo di negoziazione sarà stabilito dalla Borsa Italiana con l'avviso che comunica il primo giorno di negoziazioni.
17.	Agente Principale per i Titoli:	BNP Paribas Securities Services, Succursale di Milano.
18.	Registro:	Non applicabile.
19.	Agente di Calcolo	BNP Paribas Arbitrage S.N.C. 8 rue de Sofia, 75018 Parigi, Francia.
20.	Legge Applicabile:	Legge inglese.
21.	Condizioni speciali o altre modifiche al Regolamento	Lotto minimo di esercizio dei Titoli: il numero minimo di Titoli che possono essere esercitati dal Titolare è (1) un Titolo, e multipli di (1) un Titolo.

Il Codice di Negoziazione di Borsa Italiana è **P20901**

Condizione 6 (Previsioni Generali)

Quanto segue si intenderà aggiunto alla fine del primo paragrafo della Condizione 6 (Previsioni Generali):

“a meno che tali errori od omissioni siano dovuti al proprio dolo o colpa grave”.

Condizione 7 (Illegalità e Forza Maggiore):

Quanto segue si intenderà eliminato dalla Condizione 7.1 (Illegalità):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Quanto segue si intenderà eliminato dalla Condizione 7.2 (Forza Maggiore):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Condizione 13 (Sostituzione dell’Emittente o del Garante)

La Condizione 13(2) si intenderà eliminata e sostituita da quanto segue:

“Ove l’Emittente sia BNPP B.V., BNP o ogni società che l’abbia precedentemente sostituita, nella propria qualità di garante, non potrà essere sostituita da alcun diverso soggetto”.

Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali)

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (i):

"meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti (salvo ove diversamente previsto nelle Condizioni Definitive rilevanti)".

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (ii):

"meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti".

Quanto segue si intenderà aggiunto al termine della Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2):

"L’Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l’equivalenza economica delle obbligazioni dell’Emittente ai sensi dei Titoli".

Annex 1 (3) (2)

Il paragrafo (a) bis si intenderà aggiunto tra il punto (a) ed il punto (b):

"L’Agente per il Calcolo dovrà sostituire l’Indice con un nuovo Indice

simile, moltiplicato, se del caso, da un coefficiente di correlazione che permetta di garantire la continuità dell'andamento del sottostante dei Titoli".

Quanto segue si intenderà eliminato dal paragrafo (C)(i) e (C)(ii):

"meno il costo per l'Emittente e/o le sue affiliate della risoluzione di eventuali relativi accordi di copertura sottostanti".

La seguente frase si intenderà aggiunta alla fine del paragrafo 1 (3) (2):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

DISPOSIZIONI SPECIFICHE PER IL PRODOTTO

22.	Titoli legati ad Indici:	Applicabile
	(a) Indice/Paniere di Indici/Sponsor dell'Indice:	L' Indice Sottostante è l'Indice EURO STOXX 50[®] (Codice Reuters: .STOXX50E / Codice Bloomberg: SX5E < Index >)
		Stoxx Limited od ogni suo successore è lo Sponsor dell'Indice.
		L'Indice EURO STOXX 50[®] è un Indice Composito.
		Ai fini delle Condizioni, l'Indice Sottostante si considera un Indice.
	(b) Valuta dell'Indice:	EUR
	(c) Borsa(e):	Come indicato nell' <i>Annex 1</i> per un Indice Composito.
	(d) Borsa(e) Correlata:	Tutte le Borse.
	(e) Giorno Lavorativo di Borsa:	<i>Single Index Basis</i>
	(f) Giorno di Negoziazione Programmato:	<i>Single Index Basis</i>
	(g) Ponderazione:	Non applicabile.
	(h) Prezzo di Liquidazione:	Il Prezzo di Liquidazione sarà calcolato sulla base del Livello di Chiusura ufficiale dell'Indice, come annunciato dallo Sponsor dell'Indice.
	(i) Giorno di Turbativa:	Se la Data di Valutazione della Liquidazione Anticipata Automatica _i o la Data di Valutazione della Liquidazione è un Giorno di Turbativa, il Prezzo di Liquidazione sarà calcolato sulla base delle previsioni di cui alla Condizione per Titoli legati ad Indici 1.
	(j) Numero Massimo di Giorni di Turbativa:	Tre (3) Giorni di Negoziazione Programmati.
	(k) Orario di Valutazione:	L'Orario di Valutazione sarà l'orario in cui il Livello di Chiusura ufficiale dell'Indice è annunciato dallo Sponsor dell'Indice.
	(l) Liquidazione Ritardata al verificarsi di un Evento di Correzione dell'Indice (solo in caso di <i>Certificates</i>):	Non applicabile.
	(m) Periodo di Correzione dell'Indice:	Come da Condizioni.
	(n) Altri termini o condizioni speciali:	Non applicabile.

	(o) Ulteriori disposizioni applicabili a Indici <i>Custom</i> :	Non applicabile.
	(p) Ulteriori disposizioni applicabili alla Valutazione del Prezzo dei <i>Futures</i> :	Non applicabile.
23.	Titoli legati ad Azioni:	Non applicabile.
24.	Titoli legati a ETI:	Non applicabile.
25.	Titoli legati a Strumenti di Debito:	Non applicabile.
26.	Titoli legati a <i>Commodity</i> :	Non applicabile.
27.	Titoli legati a Indici Inflazione:	Non applicabile.
28.	Titoli legati a Valute:	Non applicabile.
29.	Titoli legati a Fondi:	Non applicabile.
30.	Titoli <i>Market Access</i> :	Non applicabile.
31.	Titoli legati a <i>Futures</i> :	Non applicabile.
32.	Titoli legati a Crediti:	Non applicabile.
33.	<i>Preference Share Certificates</i> :	Non applicabile.
34.	<i>OET Certificates</i> :	Non applicabile.
35.	Eventi di Turbativa Aggiuntivi	Applicabile. La Turbativa della Copertura non si applica ai Titoli.
36.	Eventi di Turbativa Aggiuntivi Opzionali:	(a) Ai Titoli si applica il seguente Evento di Turbativa Aggiuntivo Opzionale: Non applicabile (b) Liquidazione Ritardata al Verificarsi di un Evento di Turbativa Aggiuntivo e/o di un Evento di Turbativa Aggiuntivo Opzionale: Non applicabile.
37.	Evento <i>Knock-in</i> :	Non applicabile.
38.	Evento <i>Knock-out</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI WARRANTS

39.	Previsioni relative a <i>Warrants</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI CERTIFICATES

40.	Previsioni relative ai <i>Certificates</i> :	Applicabile.
	(a) Importo Nozionale di ogni <i>Certificate</i> :	EUR 100
	(b) <i>Certificates</i> a pagamento parziale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento parziale.
	(c) Interesse:	Non applicabile.
	(d) Previsioni relative al Tasso Fisso:	Non applicabile.
	(e) Previsioni relative al Tasso Variabile:	Non applicabile.
	(f) <i>Certificates</i> con Interessi legati a Indici:	Non applicabile.
	(g) Pagamento di Importo(i) Premio:	Applicabile.
	(i) Importo(i) Premio:	4,50 EUR per <i>Certificate</i>
	(ii) <i>Certificates</i> legati all'Importo Premio:	Non applicabile
	(iii) Giorno(i) di Pagamento dell'Importo Premio:	12 agosto 2013; a condizione che il Giorno di Pagamento dell'Importo Premio sia un giorno che non sia un Giorno Lavorativo, tale Giorno di Pagamento dell'Importo Premio sarà posticipato al giorno successivo che sia un Giorno Lavorativo. <i>A fini di chiarezza, ciascun Titolo paga l'Importo Premio al Giorno di Pagamento dell'Importo Premio, a condizione che in ogni caso non si sia verificato la Liquidazione Anticipata Automatica (come indicato nella PART-A al § 40(t) che segue) al 31 luglio 2013. Qualora tale Liquidazione Anticipata Automatica si verifichi in tale data, non sarà pagato alcun Importo Premio al Giorno di Pagamento dell'Importo Premio.</i>
	(iv) Giorno(i) di Registrazione dell'Importo Premio	6 agosto 2013, a condizione che il Giorno di Registrazione dell'Importo Premio sia un giorno che non sia un Giorno Lavorativo, tale Giorno di Registrazione dell'Importo Premio sarà posticipato al giorno successivo che sia un Giorno Lavorativo.

(h) <i>Certificates</i> con Interessi legati a Indici/Importo Premio:	Non applicabile.
(i) <i>Certificates</i> con Interessi legati ad Azioni/Importo Premio:	Non applicabile.
(j) <i>Certificates</i> con Interessi legati a ETI/Importo Premio:	Non applicabile.
(k) <i>Certificates</i> con Interessi legati a Strumenti di Debito/Importo Premio:	Non applicabile.
(l) <i>Certificates</i> con Interessi legati a <i>Commodity</i> /Importo Premio:	Non applicabile.
(m) <i>Certificates</i> con Interessi legati ad Indici di Inflazione/Importo Premio:	Non applicabile.
(n) <i>Certificates</i> con Interessi legati a Valute/Importo Premio:	Non applicabile.
(o) <i>Certificates</i> con Interessi legati a Fondi/Importo Premio:	Non applicabile.
(p) <i>Certificates</i> con Interessi legati a <i>Futures</i> /Importo Premio:	Non applicabile.
(q) <i>Certificates</i> a pagamento rateale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento rateale.
(r) Opzione Call dell'Emittente:	Non applicabile.
(s) Opzione Put del Portatore:	Non applicabile.
(t) Liquidazione Anticipata Automatica:	Applicabile.

Se alla Data di Valutazione della Liquidazione Anticipata Automatica_i indicata nella tabella che segue, il Livello di Chiusura ufficiale dell'Indice è superiore o pari al rispettivo Livello di Liquidazione Anticipata Automatica_i, il Titolo sarà automaticamente liquidato anticipatamente ed il Titolare riceverà alla Data di Liquidazione Anticipata Automatica_i il pagamento dell'Importo di Liquidazione Anticipata Automatica_i, come indicato nella tabella che segue.

i	Data di Valutazione della Liquidazione Anticipata Automatica _i	Livello di Liquidazione Anticipata Automatica _i	Importo di Liquidazione Anticipata Automatica _i	Data di Liquidazione Anticipata Automatica _i
1	31 luglio 2013	100% x Indice _{Iniziale}	EUR 104,50	12 agosto 2013

(i) Importo di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(ii) Data(e) di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(iii) Livello di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(iv) Tasso della Liquidazione Anticipata Automatica: Non applicabile.

(v) Data(e) di Valutazione della Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(u) Importo di Liquidazione in Contanti:

A condizione che non sia stato precedentemente liquidato o acquistato e cancellato dall'Emittente, ciascun Titolo sarà esercitato automaticamente alla Data di Esercizio ed il Titolare riceverà un Importo di Liquidazione in Contanti determinato ai sensi delle seguenti previsioni:

1) Se alla Data di Valutazione della Liquidazione, **Indice_{Finale}** è maggiore o pari al **Livello Barriera**:

$$N \times [100\% + 9\%]$$

2) Altrimenti:

$$N \times \frac{\text{Indice}_{\text{Finale}}}{\text{Indice}_{\text{Iniziale}}}$$

dove:

N è l'Importo Nozionale di ciascun *Certificate* (si veda il § 40 (a));

Indice_{Iniziale} è il Livello di Chiusura ufficiale dell'Indice alla Data di *Strike*;

Indice_{Finale} è il Livello di Chiusura ufficiale dell'Indice alla Data di Valutazione della Liquidazione;

Livello Barriera è $60 \times \text{Indice}_{\text{Iniziale}}$

È possibile ottenere copia della Notifica di Rinuncia durante il normale orario lavorativo dall'ufficio specificato dell' Agente per i Titoli.

Qualora non sia ricevuta alcuna Notifica di Rinuncia entro l'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)), l'Importo di Liquidazione in Contanti sarà pagato automaticamente dall'Emittente alla Data di Liquidazione.

Nessuna Notifica di Rinuncia può essere revocata dopo che la stessa sia stata ricevuta dall'Agente. Dopo la consegna di una Notifica di Rinuncia, il relativo Titolare non potrà trasferire i Titoli oggetto della stessa.

(v) Ora di <i>Cut-off</i> della Notifica di Rinuncia:	Le ore 17.00 (ora di Milano) del Giorno di Negoziazione Programmato successivo alla Data di Esercizio.
(w) Data di <i>Strike</i> :	31 luglio 2012
(x) Data di Valutazione della Liquidazione:	La Data di Esercizio.
(y) <i>Averaging</i> :	L' <i>Averaging</i> non si applica ai Titoli
(z) Date di Osservazione:	Non applicabile.
(aa) Periodo di Osservazione:	Non applicabile.
(bb) Giorno Lavorativo di Liquidazione:	Non applicabile.
(cc) Data di <i>Cut-off</i> :	Non applicabile.

DISTRIBUZIONE ED IDONEITA' ALLA VENDITA NEGLI STATI UNITI

41.	Restrizioni alla Vendita:	Come descritte nel Prospetto di Base.
(a)	Idoneità alla vendita dei Titoli negli Stati Uniti ad <i>AI</i> s:	I Titoli non sono idonei alla vendita negli Stati Uniti ad <i>AI</i> s.
(b)	Idoneità alla vendita dei Titoli negli Stati Uniti a <i>Qualified Institutional Buyers (QIBs)</i> come definiti nella <i>Rule 144a</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ai sensi della <i>Rule 144A</i> .
(c)	Idoneità alla vendita dei Titoli	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i>

negli Stati Uniti a *QIBs* come definiti nella *Rule 144a* che sono altresì *Qualified Purchasers* (*QPs*) come definiti nell'*Investment Company Act* :

42.	Conseguenze fiscali aggiuntive ai sensi della legge federale statunitense:	Non applicabile.
43.	<i>Broker/dealer</i> registrato:	Non applicabile.
44.	Offerta non esente:	Un'offerta dei Titoli sarà effettuata tramite Banca Nazionale del Lavoro S.p.A. (il "Collocatore" e, congiuntamente ad ogni altro soggetto cui sarà conferito l'incarico di collocatore con riferimento ai Titoli durante il Periodo di Offerta, i "Collocatori") al di fuori delle ipotesi di cui all'Articolo 3(2) della Direttiva Prospetti in Italia (la Giurisdizione dell'Offerta Pubblica), dal 9 luglio 2012 al 31 luglio 2012, negli orari in cui le banche sono generalmente aperte per la propria attività in Italia (il Periodo di Offerta). Per ulteriori informazioni si veda il Paragrafo 8 della Parte B di seguito.

DISPOSIZIONI RELATIVE AL *COLLATERAL* E ALLA GARANZIA

45.	Condizioni del <i>Collateral Security</i> :	Non applicabile.

Scopo delle Condizioni Definitive

Le presenti Condizioni Definitive ricomprendono le condizioni definitive necessarie per l'emissione, l'offerta pubblica nella Giurisdizione dell'Offerta Pubblica e l'ammissione alla negoziazione presso il *Securitized Derivatives Market* (il "**SeDeX**") organizzato e gestito da Borsa Italiana S.p.A., dei *Certificates* qui descritti ai sensi del Programma di Warrant e Certificate di BNP Paribas, BNP Paribas Arbitrage Issuance B.V.

Responsabilità

L'Emittente si assume la responsabilità per le informazioni contenute nelle presenti Condizioni Definitive. Per quanto a conoscenza dell'Emittente (che ha adottato ogni ragionevole cura per assicurare che questo sia il caso), le informazioni contenute nelle presenti Condizioni Definitive sono conformi ai fatti e non presentano omissioni tali da alterarne il senso. Le informazioni incluse nella Parte B (le **Altre Informazioni**) sono un estratto o un riassunto di informazioni di pubblico dominio sull'Indice. L'Emittente conferma che dette informazioni sono state riprodotte accuratamente e che, per quanto a sua conoscenza e per quanto è in grado di accertare in base alle informazioni pubblicate dallo Sponsor dell'Indice, non sono stati omessi fatti che potrebbero rendere impreciso o fuorviante quanto riprodotto.

Sottoscritto per conto di BNP Paribas Arbitrage Issuance B.V.

In qualità di Emittente:

Da: _____

debitamente autorizzato.

PARTE B – ULTERIORI INFORMAZIONI

1. Quotazione ed Ammissione alla negoziazione

Sarà presentata domanda di quotazione dei *Certificates* presso la Borsa Valori italiana, nonché di ammissione alla negoziazione dei *Certificates* oggetto della presente offerta presso il *Securitized Derivatives Market* (il “**SeDeX**”) organizzato e gestito da Borsa Italiana S.p.A.

2. Ratings

I Titoli che saranno emessi non hanno ricevuto un rating.

Il *rating* assegnato al Garante è A2 da parte di Moody's e AA- da parte di Standard and Poor's.

Come definito da Moody's un giudizio "A" implica che le obbligazioni dell'Emittente e del Garante ai sensi del Programma sono considerate appartenenti al livello medio-alto della scala e il rischio di credito è basso. Ad ogni categoria di rating compresa tra Aaa e Caa Moody's aggiunge i numeri 1, 2 e 3. Il numero 2 indica un posizionamento nella fascia intermedia.

Come definito da Standard and Poor's un'obbligazione con giudizio "AA" si distingue dall'obbligazione con giudizio più alto solo per un grado minimo. La capacità dell'Emittente e del Garante di onorare i propri impegni finanziari sulle obbligazioni è molto forte. L'aggiunta di un più (+) o di un meno (-) indica la relativa posizione all'interno della categoria di rating.

Moody's e Standard & Poor's sono costituite nell'Unione Europea e registrate ai sensi del Regolamento (CE) n. 1060/2009 (come modificato).

3. Fattori di rischio

Come descritti nel Prospetto di Base.

4. Interessi di Persone Fisiche e Giuridiche Coinvolte nell'Offerta

Gli investitori devono considerare che il Collocatore cui è stato conferito l'incarico di collocare i Titoli ai sensi delle presenti Condizioni Definitive, **Banca Nazionale del Lavoro S.p.A.**, appartiene al medesimo Gruppo dell'Emittente, il Gruppo BNP Paribas. In tal senso, gli investitori devono altresì considerare che il Collocatore riceverà dall'Emittente una commissione di collocamento implicita nel Prezzo di Emissione dei Titoli pari ad un ammontare massimo annuo dello 0,75% dell'Importo Emesso. Tutte le commissioni di collocamento verranno pagate in anticipo.

Salvo quanto sopra indicato e quanto descritto nel paragrafo "*Fattori di Rischio*" del Prospetto di Base, per quanto a conoscenza dell'Emittente, nessun soggetto coinvolto nell'offerta dei Titoli ha un interesse rilevante nella medesima.

5. Ragioni dell'Offerta, Proventi Netti Stimati e Spese Complessive

Ragioni dell'Offerta:

I proventi netti derivanti dall'emissione dei Titoli diverranno parte dei fondi generali dell'Emittente. Tali proventi potranno essere usati per mantenere posizioni su opzioni o contratti *futures*, ovvero altri strumenti di copertura.

Proventi Netti Stimati:

Fino ad Euro 2.000.000.

A fini di chiarezza, si precisa che i proventi netti stimati riflettono i proventi che l'Emittente riceverà alla Data di Emissione. Non riflettono le commissioni pagabili al

Spese Nette Stimate:	Collocatore. EUR 3.000 pari alla commissione di quotazione minima nota all'Emittente alla Data di Emissione.

6. Andamento del Sottostante/Formula/Altre Variabili, Spiegazioni circa gli Effetti sul Valore dell' Investimento e Rischi Associati e altre Informazioni relative al Sottostante

Il Titolo "**Athena Plus**" è un Titolo denominato in Euro con scadenza a 2 anni che paga un Importo Premio al Giorno di Pagamento dell'Importo Premio ai sensi delle previsioni di cui al § 40 (g).

Il Titolo può essere liquidato anticipatamente automaticamente ai sensi delle previsioni di cui al § 40 (t).

Se non liquidato anticipatamente, questo Titolo offre all'investitore l'opportunità di ricevere un Importo di Liquidazione in Contanti calcolato ai sensi delle previsioni di cui al § 40 (u).

Il Titolo non é a capitale protetto. Gli investitori beneficiano di una protezione del capitale a condizione che alla Data di Valutazione della Liquidazione il Livello di Chiusura ufficiale dell'Indice sia superiore o pari al Livello Barriera.

Di conseguenza gli investitori dovrebbero essere consapevoli che potrebbero affrontare la perdita parziale o totale del prezzo di acquisto dei loro *Certificates*.

Durante il periodo di mercato secondario, il prezzo del *Certificate* dipenderà dalle condizioni di mercato e potrebbe essere soggetto a fluttuazioni significative. Ove i *Certificates* siano venduti prima della Data di Liquidazione vi è un'alta probabilità che l'investitore possa subire una perdita del proprio investimento.

Informazioni dettagliate circa la *performance* storica dell'Indice possono essere ottenute sul sito internet www.stoxx.com.

7. Informazioni Operative

Sistema di accentramento rilevante:	Monte Titoli.

8. Regolamento dell'Offerta Pubblica

Periodo di Offerta:	Dal 9 luglio 2012 al 31 luglio 2012

Prezzo di Offerta:	Il Prezzo di Emissione (di cui un ammontare massimo annuo pari allo 0,75% è rappresentato da commissioni pagabili al Collocatore).

Condizioni alle quali l'offerta è soggetta:	L'Offerta dei Titoli è condizionata alla loro emissione. L'Emittente si riserva il diritto di revocare l'offerta o cancellare l'emissione dei Titoli per qualsiasi motivo in accordo con il/i Collocatore, ed in qualsiasi momento, anteriormente o alla Data di Emissione. Resta inteso che, qualora un potenziale investitore abbia presentato una richiesta di sottoscrizione e l'Emittente eserciti il proprio diritto di revocare l'offerta, tale potenziale investitore non avrà il diritto di sottoscrivere o acquistare in altro modo i Titoli.
Descrizione della procedura di adesione:	Dal 9 luglio 2012 al 31 luglio 2012, incluso, o la precedente data stabilita dall'Emittente e comunicata all'incirca in tale data precedente, mediante pubblicazione sul sito internet http://www.prodottidiborsa.com (la Data di Conclusione del Periodo di Offerta). Le adesioni all'offerta dei Titoli possono essere presentate in Italia mediante la piattaforma di trading online. L'attività di collocamento sarà svolta nel rispetto delle usuali procedure del/i Collocatore/i. Ai potenziali investitori non sarà richiesto di entrare in alcun rapporto contrattuale diretto con l'Emittente con riferimento alla sottoscrizione dei Titoli.
Dettagli dell'importo di adesione minimo e/o massimo:	Importo minimo di adesione per singolo investitore: EUR 100. Importo massimo di adesione per singolo investitore: EUR 20.000*Importo Nozionale. L'ammontare massimo di adesione per i Titoli sarà soggetto solo alla disponibilità al momento dell'adesione. Non sono previsti criteri di allocazione predeterminati. Il Collocatore adotterà criteri di allocazione che assicurino la parità di trattamento dei potenziali investitori. Tutti i Titoli richiesti attraverso il Collocatore durante il Periodo di Offerta saranno assegnati fino al raggiungimento dell'ammontare massimo dell'Offerta. Nel caso in cui durante il Periodo di Offerta le richieste eccedano l'ammontare totale dell'Offerta destinato ai potenziali investitori, l'Emittente, di intesa con il Collocatore(i), procederà alla chiusura anticipata del Periodo di Offerta e sospenderà immediatamente l'accettazione di ulteriori richieste.
Descrizione della possibilità di ridurre le adesioni e delle modalità di rimborso degli importi eccedenti versati dagli aderenti:	Non applicabile.

Dettagli della modalità e scadenze per il pagamento a saldo e la consegna dei Titoli:	I Titoli saranno emessi alla Data di Emissione verso pagamento all'Emittente da parte dei Collocatori dell'ammontare lordo di sottoscrizione. I Titoli sono regolati tramite le <i>clearing systems</i> e verranno consegnati attraverso il Collocatore alla, o attorno alla, Data di Emissione.
Modalità e data di pubblicazione dei risultati dell'offerta:	Pubblicazione attraverso l'accesso al seguente sito web (http://www.prodottidiborsa.com), in ciascun caso alla, o attorno alla, Data di Emissione.
Procedura per l'esercizio dei diritti di prelazione, negoziabilità dei diritti di adesione e trattamento dei diritti di adesione non esercitati:	Non applicabile
Categorie dei potenziali investitori destinatari dell'offerta dei Titoli:	Offerte possono essere effettuate in Italia tramite il Collocatore a qualsiasi soggetto. Agli investitori qualificati potranno essere assegnati solo quei Titoli che residuino dopo aver assegnato tutti i Titoli richiesti dal pubblico in Italia durante il Periodo d'Offerta. Negli altri stati dell'Area Economica Europea, eventuali offerte possono essere effettuate tramite il Collocatore esclusivamente ai sensi di una esenzione all'obbligo di pubblicare un prospetto, previsto dalla Direttiva Prospetti come attuata in tali paesi. Ogni investitore che non si trovi in Italia dovrà contattare il proprio consulente finanziario per ottenere ulteriori informazioni, e potrà acquistare i Titoli dal proprio consulente finanziario, banca o intermediario finanziario.
Processo di comunicazione agli aderenti dell'importo assegnato e indicazione della possibilità di avviare le contrattazioni prima di tale comunicazione:	Il numero di Titoli assegnati saranno comunicati agli aderenti direttamente dai Collocatori successivamente alla chiusura del Periodo di Offerta. Nessuna negoziazione sui Titoli potrà avere luogo prima della Data di Emissione.
Ammontare di qualsiasi tassa o spesa addebitata al sottoscrittore o acquirente:	L'Emittente non è al corrente di alcuna spesa o tassa addebitata al sottoscrittore. Per quanto riguarda il Prezzo di Offerta, che include le commissioni pagabili al Collocatore, si veda il paragrafo "Prezzo di Offerta" che precede. Per maggiori informazioni sul regime fiscale applicabile ai sottoscrittori in Italia, si veda l'Allegato al presente documento.

9. Collocamento e Sottoscrizione

Nome(i) ed indirizzo(i), per quanto a conoscenza dell'Emittente, dei luoghi nei vari paesi ove l'offerta si svolge:	Non applicabile.

Nome ed indirizzo del/i coordinatore/i dell'offerta globale e delle singole parti dell'offerta:	Non applicabile.
Nome ed indirizzo degli agenti per il pagamento e degli agenti per il deposito in ciascun Paese (in aggiunta al <i>Principal Paying Agent</i>)	BNP Paribas Securities Services, Succursale di Milano Via Ansperto 5, 20123 Milano, Italia.
Soggetti che acconsentono a sottoscrivere l'emissione in base a preventiva sottoscrizione, e soggetti che acconsentono a collocare l'emissione senza preventiva sottoscrizione o su base " <i>best effort</i> ".	Il collocamento sarà effettuato da Banca Nazionale del Lavoro S.p.A: Via V.Veneto 119 00187 Roma, Italia. (il Collocatore) L'Emittente si riserva il diritto di nominare altri collocatori durante il periodo di offerta, nomina che sarà comunicata agli investitori tramite avviso pubblicato sul sito http://www.prodottidiborsa.com (congiuntamente al Collocatore, i Collocatori). Nessun obbligo di sottoscrizione è assunto dal Collocatore.
Quando l'accordo di sottoscrizione è stato o sarà stato raggiunto:	Non applicabile.

10. Rendimento

Non applicabile.

11. Tasso di interesse storico

Non applicabile.

12. Notifica di rinuncia

NOTIFICA DI RINUNCIA

(da compilarsi a cura del Portatore del Titolo)

BNP Paribas Arbitrage Issuance B.V.

Fino a 20.000 Titoli EUR "Athena Plus" legati all'Indice EURO STOXX 50[®] con scadenza 7 agosto 2014

Codice ISIN: NL0010220901

(i Titoli)

A: BNP Paribas Securities Services, Filiale di Milano
Via Ansperto 5, 20123, Milano, Italia
Fax n.: (39) 02 72474 444

Il sottoscritto Portatore dei Titoli

comunica con la presente di rinunciare all'esercizio automatico, alla Data di Esercizio, dei diritti conferiti dai Titoli secondo il Regolamento dei Titoli, come modificato e/o integrato dalle Condizioni Definitive applicabili (i "**Termini dei Titoli**").

Numero di Serie dei Titoli:

Numero dei Titoli oggetto della presente notifica:

Il sottoscritto riconosce che, qualora la presente Notifica di Rinuncia non sia compilata e consegnata come previsto nei Termini dei Titoli o sia ritenuta incompleta o non avente una forma appropriata (secondo la determinazione dell'Agente Italiano per i Titoli), sarà ritenuta nulla.

Qualora la presente Notifica di Rinuncia sia successivamente corretta a soddisfacimento dell'Agente Italiano per i Titoli, la stessa sarà considerata come una nuova Notifica di Rinuncia presentata al momento della consegna di tale correzione all'Agente Italiano per i Titoli.

Le espressioni definite nei Termini dei Titoli avranno lo stesso significato alle stesse attribuito nella presente Notifica di Rinuncia.

Luogo e data:

Firma del Portatore

Firma dell'investitore nei Titoli

ALLEGATO

REGIME FISCALE ITALIANO

Le informazioni di seguito riportate riassumono la legislazione italiana e la prassi vigente in relazione al regime fiscale applicabile ai Titoli così come definiti nel Programma Warrant e Certificate. Le indicazioni di seguito riportate si basano sulle leggi vigenti in Italia alla data di redazione del presente Final Terms e sono soggette ad ogni variazione normativa intervenuta dopo tale data, variazione che potrebbe avere anche effetto retroattivo. Il seguente paragrafo non intende offrire un quadro completo ed esaustivo di tutti i profili fiscali che potrebbero rilevare al fine di valutare la sottoscrizione, l'acquisto, il possesso o la cessione dei Titoli. Non è altresì descritto il regime fiscale applicabile a tutte le possibili categorie di investitori, alcuni dei quali (come ad esempio gli intermediari istituzionali) potrebbero essere soggetti a regimi speciali.

I potenziali investitori sono invitati a rivolgersi ai propri consulenti fiscali per valutare accuratamente le conseguenze che possono derivare dalla sottoscrizione, dall'acquisto, dal possesso e dalla cessione dei Titoli.

Tassazione dei Titoli

I Warrants, i Certificates e gli altri strumenti derivati sono soggetti al regime fiscale previsto dall'art. 67 del D.P.R. 22 Dicembre 1986 n. 917 (TUIR), e del Decreto Legislativo 21 Novembre 1997 n. 461, se l'investitore è residente in Italia ed è (i) una persona fisica che non svolge un'attività d'impresa alla quale i Titoli siano connessi; (ii) una società di persone o un'associazione di cui all'art. 5 del TUIR, che non svolga attività commerciale (con l'esclusione delle società in nome collettivo, in accomandita semplice e di quelle ad esse equiparate); (iii) un ente privato o pubblico che non abbia per oggetto esclusivo o principale l'esercizio di attività commerciale; o (iv) un soggetto esente dall'imposta sul reddito delle persone giuridiche, le plusvalenze derivanti dal possesso e dalla negoziazione dei Titoli sono soggette ad un'imposta sostitutiva con aliquota pari al 20 per cento. Il percipiente può optare per i tre diversi criteri di applicazione dell'imposta sostitutiva di seguito elencati:

In base al cosiddetto "*regime della dichiarazione*" - che è il regime fiscale applicabile in via residuale ed in assenza di opzione per gli altri regimi impositivi, in capo alle persone fisiche residenti in Italia che non detengono i Titoli nell'ambito dell'attività di impresa - l'imposta sostitutiva è applicata, su base annuale, sull'importo complessivo delle plusvalenze, al netto delle eventuali minusvalenze, realizzate in relazione a tutte le vendite o i rimborsi dei Titoli effettuati nel corso di un determinato periodo di imposta. Tali investitori sono tenuti ad indicare le plusvalenze complessive - realizzate nel periodo di imposta, al netto delle relative minusvalenze - nella dichiarazione annuale dei redditi ed a versare la relativa imposta sostitutiva, unitamente alle altre imposte sui redditi dovute per il medesimo periodo d'imposta. Se, in relazione allo stesso periodo d'imposta, le minusvalenze sono superiori alle plusvalenze, l'eccedenza può essere riportata in deduzione dalle plusvalenze realizzate nei quattro periodi di imposta successivi. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

In alternativa al regime della dichiarazione, le persone fisiche residenti in Italia che detengono i Titoli non nell'ambito di un'attività d'impresa possono optare per l'applicazione dell'imposta sostitutiva sulle plusvalenze realizzate in occasione di ciascuna vendita o liquidazione dei Titoli, nell'ambito del cosiddetto "*regime del risparmio amministrato*" (di cui all'articolo 6 del Decreto Legislativo Nr. 461 del 21 Novembre 1997, come successivamente modificato di seguito: il "Decreto Nr. 461"). Questo regime è applicabile a condizione che: (i) i Titoli siano depositati presso banche italiane, SIM o altri intermediari finanziari autorizzati, e (ii) l'investitore abbia validamente esercitato, in forma scritta, l'opzione per accedere al regime del risparmio amministrato. Il depositario è responsabile per l'applicazione dell'imposta sostitutiva dovuta sulle plusvalenze realizzate a seguito di ciascuna cessione o liquidazione dei Titoli (ovvero in relazione alle plusvalenze realizzate in occasione di revoca del suo mandato), al netto delle eventuali minusvalenze, ed è tenuto a versare l'imposta sostitutiva all'Amministrazione finanziaria, per conto dell'investitore, prelevando il corrispondente ammontare dai redditi da accreditare all'investitore, oppure utilizzando fondi appositamente messi a disposizione dall'investitore stesso. Nel regime del risparmio amministrato, qualora dalla vendita o dalla liquidazione dei Titoli derivi una minusvalenza, tale minusvalenza può essere dedotta dalle plusvalenze della stessa natura, successivamente realizzate su titoli depositati presso il medesimo intermediario, nel corso dello stesso periodo di imposta oppure in quelli successivi, ma non oltre il quarto. In base al regime del

risparmio amministrato, l'investitore non è tenuto ad indicare le plusvalenze nella propria dichiarazione dei redditi annuale. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Le plusvalenze realizzate o maturate in capo a persone fisiche residenti in Italia che detengano i Titoli non nell'ambito dell'attività d'impresa e che abbiano affidato la gestione del loro patrimonio finanziario, compresi i Titoli, ad un intermediario autorizzato, optando per il cosiddetto "*regime del risparmio gestito*" (articolo 7 del Decreto Nr. 461), sono incluse nel calcolo del cosiddetto risultato maturato della gestione annuale. Sul risultato annuale di gestione è applicata un'imposta sostitutiva del 20 per cento, che deve essere prelevata dall'intermediario incaricato della gestione. Nel regime del risparmio gestito eventuali differenziali negativi nel risultato annuale della gestione possono essere dedotti dagli incrementi di valore registrati nei periodi successivi, non oltre il quarto. Ai fini del regime del risparmio gestito, l'investitore non è tenuto ad indicare i redditi derivanti dalla gestione patrimoniale nella propria dichiarazione dei redditi annuale. I risultati di gestione negativi maturati prima del 1 gennaio 2012 possono essere utilizzati per compensare, alle medesime condizioni indicate, risultati di gestione positivi maturati successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Quando l'investitore italiano è una società o un ente commerciale, o una stabile organizzazione in Italia di un soggetto non residente alla quale i Titoli siano connessi, le plusvalenze derivanti dai Titoli stessi non saranno soggette ad imposta sostitutiva, ma concorreranno a determinare il reddito imponibile dell'investitore stesso ai fini IRES (e, al verificarsi di determinate condizioni relative allo "status" dell'investitore, la base imponibile IRAP).

Le plusvalenze realizzate da un investitore che sia un fondo comune di investimento italiano aperto o chiuso (soggetto al regime fiscale previsto dalla Legge 23 marzo 1983, numero 77), ovvero una SICAV non saranno soggette ad imposta sostitutiva, ma saranno incluse nel risultato di gestione maturato alla fine del periodo d'imposta.

Le plusvalenze realizzate da un investitore che sia un fondo pensione italiano (soggetto al regime previsto dall'art. 17 del Decreto Legge 5 Dicembre 2005, n. 252) saranno incluse nel risultato di gestione maturato dal fondo alla fine del periodo di imposta e soggette ad un'imposta sostitutiva dell'11 per cento.

Le plusvalenze realizzate da soggetti non residenti derivanti dalla vendita o dalla liquidazione dei Titoli non sono soggette ad alcuna imposizione in Italia, a condizione che i Titoli stessi (i) siano negoziati in mercati regolamentati, o (ii) non siano detenuti in Italia.

Si applicano, al verificarsi delle relative condizioni e qualora più favorevoli all'investitore, le disposizioni dei trattati contro le doppie imposizioni stipulati dall'Italia.

Titoli atipici

I titoli che non si qualificano come strumenti derivati ai sensi dell'art. 67 del TUIR e, in conformità ad una differente interpretazione della vigente normativa fiscale, i Certificates potrebbero essere considerati come titoli "atipici" ai sensi e per gli effetti dell'Articolo 8 del Decreto Legge 30 settembre 1983, n. 512, convertito nella Legge 25 novembre 1983, n. 649 e conseguentemente assoggettati a ritenuta con aliquota del 20%.

La menzionata ritenuta non si applica ai pagamenti effettuati al possessore dei Titoli che non sia residente in Italia ed al possessore dei Titoli residente in Italia che sia (i) una società o altro ente commerciale (ivi compresa la stabile organizzazione in Italia di soggetti esteri); (ii) una società in nome collettivo, in accomandita semplice o ad esse assimilata; oppure (iii) un ente privato o pubblico che svolga una attività commerciale.

La ritenuta è applicata dai soggetti residenti incaricati dall'Emittente che intervengono nel pagamento dei proventi, nel riacquisto o nella negoziazione dei Titoli.

Imposte di successione e donazione

Ai sensi del Decreto Legge Nr. 262 del 3 ottobre 2006, (di seguito citato come il Decreto Nr. 262), convertito nella Legge Nr. 286 del 24 novembre 2006, il trasferimento di beni e diritti (incluse azioni, obbligazioni ed altri titoli) per effetto di successione o donazione è assoggettato ad imposta come segue:

- (i) il trasferimento a favore del coniuge e dei discendenti e ascendenti diretti è assoggettato ad imposta di successione o donazione nella misura del 4 per cento sul valore dei beni trasferiti per successione e donazione eccedente l'importo di EUR 1,000,000;
- (ii) il trasferimento a favore dei parenti entro il quarto grado ed affini in linea diretta nonché in favore degli affini in linea collaterale fino al terzo grado è assoggettato ad imposta di successione o donazione nella misura del 6 per cento del valore della donazione e della successione. Il trasferimento a favore di sorelle e fratelli sconta l'imposta di successione o donazione nella misura del 6 per cento sul valore complessivo netto eccedente, per ciascun beneficiario, EUR 100,000; e
- (iii) il trasferimento a favore di ogni altro beneficiario sconta l'imposta di donazione o successione nella misura dell'8 per cento.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Tassa sui contratti di Borsa

L'art. 37 del D.L. 31 Dicembre 2007 n. 248, ("**Decreto n. 248**") convertito nella Legge 28 Febbraio 2008, n. 31 pubblicata nella Gazzetta Ufficiale n. 51 del 29 Febbraio 2008, ha soppresso la tassa sui contratti di borsa prevista dal Regio Decreto 30 dicembre 1923 n. 3278, così come integrato e modificato dall'art. 1 del D. Lgs. 21 Novembre 1997 n. 435.

A seguito dell'abrogazione della tassa sui contratti di Borsa, a partire dal 31 Dicembre 2007, gli atti aventi ad oggetto la negoziazione di titoli scontano l'imposta di registro come segue: (i) gli atti pubblici e le scritture private autenticate scontano l'imposta di registro in misura fissa pari a Euro 168 (ii) le scritture private non autenticate scontano l'imposta di registro solo in "caso d'uso" o a seguito di registrazione volontaria.

Imposta di bollo

Ai sensi dell'art. 19, comma 1, del D. L. 6 dicembre 2001, n. 201 (Decreto 201), un'imposta di bollo proporzionale si applica, su base annuale, alle comunicazioni periodiche inviate dagli intermediari finanziari ai loro clienti relative ai titoli depositati presso di loro. L'imposta di bollo si applica con aliquota pari allo 0,1 per cento per l'anno 2012 e allo 0,15 per cento per gli anni successivi, su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli. L'imposta di bollo non può essere inferiore a € 34,20 e, per il solo anno 2012 non può superare € 1.200.

Secondo una preliminare interpretazione della disposizione normativa, può ritenersi che l'imposta di bollo trovi applicazione sia con riferimento agli Investitori residenti che non residenti a condizione che i relativi Titoli siano detenuti presso un Intermediario avente sede in Italia.

Imposta sui titoli depositati all'estero

Ai sensi dell'art. 19, comma 18, del Decreto 201, le persone fisiche residenti in Italia che detengono i Titoli al di fuori del territorio italiano sono tenuti a pagare un'imposta con aliquota pari allo 0,1 per cento per l'anno 2012 e dello 0,15 per cento per gli anni successivi sulle attività finanziarie detenute all'estero.

Quest'imposta è calcolata su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli detenuti all'estero. I contribuenti hanno diritto ad un credito d'imposta pari alle equivalenti imposte pagate all'estero nei limiti dell'imposta pagabile in Italia.

Attuazione in Italia della Direttiva sulla tassazione dei redditi da risparmio

L'Italia ha dato attuazione alla Direttiva del Consiglio 2003/48/EC con il Decreto Legislativo 18 aprile 2005, n. 84 (Decreto n. 84). Ai sensi del Decreto n. 84, gli agenti pagatori qualificati ai sensi della Direttiva e residenti in Italia non applicano alcuna ritenuta alla fonte sugli interessi corrisposti a persone fisiche residenti in un altro Stato Membro dell'Unione Europea. Tuttavia, i suddetti agenti pagatori sono incaricati di fornire specifiche informazioni, alle autorità fiscali italiane, in merito ai pagamenti effettuati nonché ai beneficiari effettivi degli stessi. Le autorità fiscali italiane, a loro volta, trasmetteranno le relative informazioni alle competenti autorità fiscali dello Stato Membro in cui risiede il beneficiario.

Disclaimer dell'Indice

Né l'Emittente né il Garante si assumono alcuna responsabilità per ogni azione od omissione compiuta da uno Sponsor dell'Indice in relazione al calcolo, a modifiche e alla manutenzione dell'Indice. A meno che non sia comunicato prima della Data di Emissione, né l'Emittente né il Garante o le società da questi controllate, o a questi collegate, sono collegate a o esercitano il controllo sull'Indice o sullo Sponsor dell'Indice o esercitano il controllo sul calcolo, la composizione o la diffusione di un Indice. Sebbene l'Agente per il Calcolo otterrà informazioni relative a un Indice da fonti disponibili al pubblico che lo stesso ritenga affidabili, questo non verificherà tali informazioni in via indipendente. Pertanto non è resa alcuna dichiarazione, garanzia o impegno (esplicito o implicito) e l'Emittente, il Garante, le società da questi controllate, o a questi collegate, o l'Agente per il Calcolo non accettano alcuna responsabilità con riferimento alla precisione, completezza e tempestività delle informazioni riguardanti un Indice.

Indice EURO STOXX50®

STOXX ed i suoi licenziatari (i "Licenziatari") non hanno alcun rapporto con BNP PARIBAS, oltre alla licenza dell'Indice EURO STOXX 50® e dei relativi marchi ai fini dell'uso in relazione ai *Certificates*.

STOXX ed i suoi Licenziatari non

- sponsorizzano, avallano, vendono o promuovono i *Certificates*.
- Raccomandano che alcun soggetto investa nei *Certificates* o in qualsiasi altro titolo.
- Hanno alcuna responsabilità per, o hanno preso alcuna decisione relativamente a, le tempistiche, l'ammontare o il prezzo dei *Certificates*.
- Hanno alcuna responsabilità per l'amministrazione, la gestione o la commercializzazione dei *Certificates*.
- Considerano le esigenze dei *Certificates* o dei portatori dei *Certificates* nella determinazione, composizione o calcolo dell'Indice EURO STOXX 50® né hanno alcun obbligo di farlo.

STOXX ed i suoi Licenziatari non avranno alcuna responsabilità relativamente ai *Certificates*. In particolare:

- STOXX ed i suoi Licenziatari non rilasciano alcuna garanzia, espressa o implicita, e negano qualsiasi garanzia per:
 - I risultati che possono essere ottenuti dai *Certificates*, i titolari dei *Certificates* o qualsiasi altra persona relativamente all'uso dell'Indice EURO STOXX 50® e i dati inclusi nell'Indice EURO STOXX 50®;
 - Accuratezza o completezza dell'Indice EURO STOXX 50® e dei suoi dati;
 - Commercialità e l'adeguatezza per un particolare scopo o uso dell'Indice EURO STOXX 50® e dei suoi dati;
- STOXX ed i suoi Licenziatari non avranno alcuna responsabilità per errori, omissioni o interruzioni nell'Indice EURO STOXX 50® o nei suoi dati. In nessun caso STOXX ed i suoi Licenziatari saranno responsabili per qualsiasi mancato profitto né per danni o perdite indiretti, punitivi, speciali o conseguenti, anche nel caso in cui STOXX o i suoi Licenziatari sappiano che sarebbe potuto succedere.

L'accordo di licenza tra BNP PARIBAS e STOXX è solamente a loro beneficio e non a beneficio dei titolari dei *Certificates* o di qualsiasi parte terza.

NOTICE TO THE HOLDERS

Up to 20,000 EUR "Athena Plus" Certificates relating to the EURO STOXX 50[®] Index due 7 August 2014

ISIN Code: NL0010220901

This Notice is dated 3 August 2012 and should be read in conjunction with the Final Terms dated 9 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 20,000 EUR "Athena Plus" Certificates relating to the EURO STOXX 50[®] Index due 7 August 2014**, referred to here above, the total number of Securities to be issued is **20,000 Securities (i.e. EUR 2,000,000)** at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 7 August 2012.

The Holders are informed that on page 9 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Index_{Initial}** is the official Closing Level of the Underlying Index on the Strike Date (i.e. **2,325.72**);
- **Barrier Level** is $60\% \times \text{Index}_{\text{Initial}}$ (i.e. **1,395.432**).

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the **SeDeX**) (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"Account Holder" is as defined in Condition 2.2;

"Accrual Period" is as defined in Condition 32(c);

"Actual/Actual (ICMA)" is as defined in Condition 32(c);

"Actual Exercise Date" is as defined in Condition 20 and Condition 24.1(a);

"Additional Disruption Event" is as defined in Condition 15.1;

"Adjustment Date" is as defined in Condition 17(b);

"AFB Agreement" is as defined in Condition 32(b)(iv);

"AFB Rate" is as defined in Condition 32(b);

"Affected Item" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Affected Relevant Assets" is as defined in Condition 15.1;

"Affected Share" is as defined in Condition 15.2(e);

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

"Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"AIs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Alternate Cash Amount" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"Clearstream, Luxembourg" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Commodity OET Certificate" means a Commodity Security that is an OET Certificate;

"Commodity Securities" is as defined in Condition 2.1;

"Common Depositary" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Credit Securities" is as defined in Condition 2.1;

"Currency Event" is as defined in Condition 15.1;

"Currency OET Certificate" means a Currency Security that is an OET Certificate;

"Currency Securities" is as defined in Condition 2.1;

"Custodian" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Cut-off Date" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Day Count Fraction" is as defined in Condition 32(c);

"Debt Securities" is as defined in Condition 2.1;

"Definitive Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Delivery Date" is as defined in Condition 35.2(c);

"Designated Account" is as defined in Condition 35.1;

"Designated Bank" is as defined in Condition 35.1;

"Designated Maturity" is as defined in Condition 32(b)(iii);

"Determination Date(s)" is as defined in Condition 32(c);

"Determination Period" is as defined in Condition 32(c);

"Disqualified Transferee" is as defined in Condition 2.4(c);

"Disruption Cash Settlement Price" is as defined in Condition 5.1;

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

"Documents" is as defined in Condition 13.2(b);

"DTC" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

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

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 24.4;

"**Madrid Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 28;

"**Monte Titoli**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**National Currency Unit**" is as defined in Condition 17(b);

"**New York Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**New York time**" is as defined in Condition 24.4;

"**Notice Period**" is as defined in Conditions 34.3 and 34.4

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**OET Certificate**" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 28;

"**Open End Certificate**" is as defined in Condition 28;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Date**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 34.3 and 34.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Payment Date**" is as defined in Condition 35.1;

"**Permanent Global Warrant**" is as defined in Condition 21;

"**Physical Delivery Certificates**" is as defined in Condition 30;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"Underlying Reference Level" is as defined in Condition 34.9(b);

"Underlying Share" is as defined in Condition 2.1;

"Units" is as defined in Condition 22;

"U.S. Certificates" is as defined in Condition 29;

"U.S. Securities" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"U.S. Warrants" is as defined in Condition 21;

"Valid Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Time" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Vietnamese QI" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"Warrants" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

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

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

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

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

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

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

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

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

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

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an **"Extraordinary Event"**, the consequences of which are set forth in Share Security Condition 4.2:

"De-Listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Illiquidity" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"Listing Change" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

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

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

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

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

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

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

1. Definitions

"**Additional Extraordinary ETI Event**" means any event specified as such in the applicable Final Terms;

"**Basket Trigger Event**" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

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

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

"**Clearance System**" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

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

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

"**Dividend Event**" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

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

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

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

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

- 4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

- 6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

- 6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).
- (a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

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

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

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

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

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

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

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

V. 4.7
XII. 4.2.3

The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

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

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

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

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

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

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

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

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

AVVISO n.18049	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto : BNP PARIBAS ARBITRAGE ISSUANCE
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	1 Equity Protection Certificate su Azione ENEL		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

1 Equity Protection Certificate su Azione ENEL

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "1 Equity Protection Certificate su Azione ENEL" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Bonus/Strike %	Cap %	Livello Protezione %	Livello Iniziale
1	NL0010220968	P20968	738418	BPAENELCP2,18CE270717	ENEL	2,18	27/07/17	100	25000	1	24	100	135,5	100	2,18

FINAL TERMS DATED 9 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

Up to 100,000 EUR "Equity Protection" Certificates relating to ENEL Shares due 7 August 2017

ISIN Code: NL0010220968

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

The Securities are offered to the public in the Republic of Italy from 9 July 2012 to 26 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD**"))

Amending Directive") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets' (Autoriteit Financiële Markten - AFM) website www.afm.nl, and copies of these documents and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperito 5, 20123 Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN Code	Common Code	Issue Price per Security	Redemption Date
CE1792ELM	Up to 100,000	Up to 100,000	NL0010220968	080181329	EUR 100	7 August 2017

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas.
3. **Trade Date:** 28 June 2012.
4. **Issue Date:** 31 July 2012.
5. **Consolidation:** Not applicable.
6. **Type of Securities:**
 - (a) Certificates.
 - (b) The Securities are Share Securities.

The Certificates are "**Equity Protection**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 27 July 2017, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 2 (*Additional Terms and Conditions for Share Securities*) shall apply.

7.	Form of Securities:	Italian Dematerialised Securities.
8.	Business Day Centre(s):	The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9.	Settlement:	Settlement will be by way of cash payment (Cash Settled Securities).
10.	Variation of Settlement:	The Issuer does not have the option to vary settlement in respect of the Securities.
11.	Relevant Asset(s):	Not applicable.
12.	Entitlement:	Not applicable.
13.	Exchange Rate:	Not applicable.
14.	Settlement Currency:	The settlement currency for the payment of the Cash Settlement Amount is Euro (" EUR ").
15.	Syndication:	The Securities will be distributed on a non-syndicated basis.
16.	Minimum Trading Size:	The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
17.	Principal Security Agent:	BNP Paribas Securities Services, Milan Branch.
18.	Registrar:	Not applicable.
19.	Calculation Agent:	BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France.
20.	Governing law:	English law.
21.	Special conditions or other modifications to the Terms and Conditions:	Minimum exercise number of Securities: The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is P20968

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) :

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

ANNEX 2 (Additional Terms and Conditions for Share Securities)

The following sentence shall be deemed to be added at the end of Paragraph (3) (Potential Adjustment Events) :

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

The following shall be deemed to be deleted from Paragraph (4) (2), (d) (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

PRODUCT SPECIFIC PROVISIONS

22.	Index Securities:	Not applicable.
23.	Share Securities:	Applicable.
	(a) Share(s)/ Share Company/Basket Company/GDR/ADR:	An ordinary share in the share capital of ENEL (the " Share Company "), (ISIN Code: IT0003128367/ Reuters Code: ENEI.MI / Bloomberg Code: ENEL IM <Equity>) (the " Underlying Share ").
		For the purposes of the Conditions, the Underlying Share shall be deemed to be the Share.
	(b) Relative Performance Basket:	Not applicable.
	(c) Share Currency:	EUR
	(d) Exchange(s):	The Exchange is Italian Stock Exchange.
	(e) Related Exchange(s):	All Exchanges.
	(f) Exchange Business Day:	Single Share Basis.
	(g) Scheduled Trading Day:	Single Share Basis.
	(h) Weighting:	Not applicable.
	(i) Settlement Price:	The Settlement Price will be calculated on the basis of the Reference Price of the Underlying Share, as determined and published by the Exchange.
	(j) Disrupted Day:	If the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Share Security Condition 1.
	(k) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.

(l) Valuation Time:	The Valuation Time will be the time when the Reference Price is calculated by Borsa Italiana.
(m) Delayed Redemption on Occurrence of an Extraordinary Event:	Not applicable.
(n) Share Correction Period:	As per Conditions.
(o) Dividend Payment:	Not applicable.
(p) Listing Change:	Not applicable.
(q) Listing Suspension:	Not applicable.
(r) Illiquidity:	Not applicable.
(s) Tender Offer:	Applicable.
(t) Other terms or special conditions:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.
26. Commodity Securities:	Not applicable.
27. Inflation Index Securities:	Not applicable.
28. Currency Securities:	Not applicable.
29. Fund Securities:	Not applicable.
30. Market Access Securities:	Not applicable.
31. Futures Securities:	Not applicable.
32. Credit Securities:	Not applicable.
33. Preference Share Certificates:	Not applicable.
34. OET Certificates:	Not applicable.
35. Additional Disruption Events:	Applicable.
	Hedging Disruption does not apply to the Securities.
36. Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities: Insolvency Filing (b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.

37. Knock-in Event: Not applicable.

38. Knock-out Event: Not applicable.

PROVISIONS RELATING TO WARRANTS

39. Provisions relating to Warrants: Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40. Provisions relating to Certificates: Applicable.

(a) Notional Amount of each Certificate: EUR 100.

(b) Partly Paid Certificates: The Certificates are not Partly Paid Certificates.

(c) Interest: Not applicable.

(d) Fixed Rate Provisions: Not applicable.

(e) Floating Rate Provisions: Not applicable.

(f) Linked Interest Certificates: Not applicable.

(g) Payment of Premium Amount(s): Not applicable.

(h) Index Linked Interest Certificates: Not applicable.

(i) Share Linked Interest Certificates: Not applicable.

(j) ETI Linked Interest Certificates: Not applicable.

(k) Debt Linked Interest Certificates: Not applicable.

(l) Commodity Linked Interest Certificates: Not applicable.

(m) Inflation Index Linked Interest Certificates: Not applicable.

(n) Currency Linked Interest Certificates: Not applicable.

(o) Fund Linked Interest Certificates: Not applicable.

(p) Futures Linked Interest Certificates: Not applicable.

(q) Instalment Certificates: The Certificates are not Instalment Certificates.

(r) Issuer Call Option: Not applicable.

(s) Holder Put Option: Not applicable.

(t) Automatic Early Redemption: Not applicable.

(u) Cash Settlement Amount: Unless previously redeemed or purchased and cancelled by the Issuer, each Certificate will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provision:

$$N \times \min [135.50\%, \max \left(100\%, \frac{\text{Share}_{\text{Final}}}{\text{Share}_{\text{Initial}}} \right)]$$

Where:

N is the Notional Amount of each Certificate as specified in § 40 (a);

Share_{Initial} is the Reference Price of the Underlying Share on the Strike Date;

Share_{Final} is the Reference Price of the Underlying Share on the Redemption Valuation Date.

Reference Price of the Underlying Share is the "*Prezzo di Riferimento*" as defined by Borsa Italiana.

Pursuant the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in Part A §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in Part A § 40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v)	Renouncement Notice Cut-off Time	10.00 a.m. (Milan time) on the Exercise Date.
(w)	Strike Date:	26 July 2012.
(x)	Redemption Valuation Date:	The Scheduled Trading Day immediately preceding the Exercise Date.
(y)	Averaging:	Averaging does not apply to the Certificates.
(z)	Observation Dates:	Not applicable.
(aa)	Observation Period:	Not applicable.
(bb).	Settlement Business Day:	Not applicable.

(cc) Cut-off Date: Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41. Selling Restrictions: As described in the Base Prospectus.
- (a) Eligibility for sale of Securities in the United States to AIs: The Securities are not eligible for sale in the United States to AIs.
- (b) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A: The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
- (c) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act: The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42. Additional U.S. Federal income tax consequences: Not applicable.
43. Registered broker/dealer: Not applicable.
44. Non exempt Offer: An offer of the Securities will be made through **Banca Nazionale del Lavoro S.p.A.** (the "**Distributor**", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "**Public Offer Jurisdiction**") during the period from **9 July 2012 until 26 July 2012** during the hours in which the banks are open for business in the Republic of Italy (the "**Offer Period**").
- See further Paragraph 8 of Part B below

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. Collateral Security Conditions: Not applicable.

Purposes of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:

A handwritten signature in blue ink, appearing to read 'C. Nastasa', with a horizontal line drawn underneath it.

By: ..Cezar NASTASA.. Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading:

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 0.60% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:	The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.
Estimated net proceeds:	Up to EUR 10,000,000
	For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).
Estimated total expenses:	EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The "**Equity Protection**" Security is an exercisable Security which return is linked to the performance of the Underlying. The structure is capital protected but features a cap (N x 135.50%). The formula for calculating the Cash Settlement Amount is described in Part A § 40 (u) . The return on such Security may well be inferior to the return on a direct investment on the Underlying.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Details of historic performance of the Underlying Share can be obtained from Reuters.

Name of the issuer of the underlying security:

ENEL

Enel generates, transmits, distributes, and trades electricity. The Company operates hydroelectric, geothermal, and other generating plants. Enel, through subsidiaries, also provides fixed-line and mobile telephone services, installs public lighting systems, and operates real estate, factoring, insurance, telecommunications, and Internet service provider businesses.

Address:

Viale Regina Margherita 137
00198 Rome
Italy

Website: www.enel.it

ISIN Code of the underlying:

See Part A § 23 (a).

Source of information relating to the Underlying

Past and future performances and volatility of the Shares are notably available on Bloomberg page set out in Part A §23(a) and on the website of the Exchange where the share is listed.

Post-Issuance information

The Issuer does not intend to provide post-issuance information.

7. Operational Information

Relevant Clearing System(s):

Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period:

From 9 July 2012 to 26 July 2012.

Offer Price:

The Issue Price (of which a maximum annual amount of 0.60% is represented by commissions payable to the Distributor(s)).

Conditions to which the offer is subject:

The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process:

From 9 July 2012 to, and including, 26 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the Distributor(s). The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application:

Minimum subscription amount per investor: EUR 100.

Maximum subscription amount per investor: 100,000 * Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors

the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

Details of the method and time limits for paying up and delivering the Securities:

The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys.

The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.

Manner in and date on which results of the offer are to be made public:

Publication by loading the following link (<http://www.prodottidiborsa.com>) in each case on or around the Issue Date.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable.

Categories of potential investors to which the Securities are offered:

Offers will be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary.

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period.

No dealings in the Securities may take place prior to the Issue Date.

Amount of any expenses and taxes specifically charges to the subscriber or purchaser:

The Issuer is not aware of any expenses and taxes specifically charged to the subscriber.

For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price".

For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place: Not applicable.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: Not applicable.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): BNP Paribas Securities Services, Milan Branch
Via Ansperto 5, 20123 Milano, Italy.

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: The placement activity will be carried out by:
Banca Nazionale del Lavoro S.p.A.

Via V. Veneto, 119

00187 Rome, Italy.

(the **Distributor**)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached: Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE*(to be completed by the Holder of the Security)***BNP Paribas Arbitrage Issuance B.V.****Up to 100,000 EUR "Equity Protection" Certificates relating to ENEL Shares due 7 August 2017****ISIN Code: NL0010220968****(the Securities)****To: BNP Paribas Securities Services, Milan Branch**

Via Ansperto 5, 20123 Milano, Italy

Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities:

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder:

Name of beneficial owner of the Securities:

Signature:

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital

gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

NOTICE TO THE HOLDERS

Up to 100,000 EUR "Equity Protection" Certificates relating to ENEL Shares due 7 August 2017

ISIN Code: NL0010220968

This Notice is dated 27 July 2012 and should be read in conjunction with the Final Terms dated 9 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 100,000 EUR "Equity Protection" Certificates relating to ENEL Shares due 7 August 2017**, referred to here above, the total number of Securities to be issued is **25,000 Securities (i.e. EUR 2,500,000)** at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 31 July 2012.

The Holders are informed that on page 8 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Share_{Initial}** is the Reference Price of the Underlying Share on the Strike Date (i.e. **EUR 2.18**);

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the "**SeDeX**") (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 32(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 32(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 24.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**AFB Agreement**" is as defined in Condition 32(b)(iv);

"**AFB Rate**" is as defined in Condition 32(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

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

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**AIs**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"Clearstream, Luxembourg" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Commodity OET Certificate" means a Commodity Security that is an OET Certificate;

"Commodity Securities" is as defined in Condition 2.1;

"Common Depositary" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Credit Securities" is as defined in Condition 2.1;

"Currency Event" is as defined in Condition 15.1;

"Currency OET Certificate" means a Currency Security that is an OET Certificate;

"Currency Securities" is as defined in Condition 2.1;

"Custodian" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Cut-off Date" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Day Count Fraction" is as defined in Condition 32(c);

"Debt Securities" is as defined in Condition 2.1;

"Definitive Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Delivery Date" is as defined in Condition 35.2(c);

"Designated Account" is as defined in Condition 35.1;

"Designated Bank" is as defined in Condition 35.1;

"Designated Maturity" is as defined in Condition 32(b)(iii);

"Determination Date(s)" is as defined in Condition 32(c);

"Determination Period" is as defined in Condition 32(c);

"Disqualified Transferee" is as defined in Condition 2.4(c);

"Disruption Cash Settlement Price" is as defined in Condition 5.1;

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

"Documents" is as defined in Condition 13.2(b);

"DTC" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

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

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 24.4;

"**Madrid Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 28;

"**Monte Titoli**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**National Currency Unit**" is as defined in Condition 17(b);

"**New York Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**New York time**" is as defined in Condition 24.4;

"**Notice Period**" is as defined in Conditions 34.3 and 34.4

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**OET Certificate**" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 28;

"**Open End Certificate**" is as defined in Condition 28;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Date**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 34.3 and 34.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Payment Date**" is as defined in Condition 35.1;

"**Permanent Global Warrant**" is as defined in Condition 21;

"**Physical Delivery Certificates**" is as defined in Condition 30;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"Underlying Reference Level" is as defined in Condition 34.9(b);

"Underlying Share" is as defined in Condition 2.1;

"Units" is as defined in Condition 22;

"U.S. Certificates" is as defined in Condition 29;

"U.S. Securities" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"U.S. Warrants" is as defined in Condition 21;

"Valid Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Time" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Vietnamese QI" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"Warrants" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

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

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

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

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

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

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

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

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

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

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an **"Extraordinary Event"**, the consequences of which are set forth in Share Security Condition 4.2:

"De-Listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Illiquidity" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"Listing Change" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

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

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

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

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

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

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

1. Definitions

"**Additional Extraordinary ETI Event**" means any event specified as such in the applicable Final Terms;

"**Basket Trigger Event**" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

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

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

"**Clearance System**" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

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

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

"**Dividend Event**" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

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

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

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

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

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

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

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

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

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

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

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

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The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

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

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

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

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

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

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

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

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

AVVISO n.18051	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto dell'Avviso : BNP PARIBAS ARBITRAGE ISSUANCE

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	1 Athena Double Win Certificate su indice Eurostoxx 50		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziiazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

1 Athena Double Win Certificate su indice Eurostoxx 50

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo
Modalità di negoziazione:	La data di negoziazione ex-diritto al pagamento dell'importo periodico decorre dal secondo giorno di mercato aperto antecedente le rispettive record date.

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "1 Athena Double Win Certificate su indice Eurostoxx 50" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Secondo Strike	Livello Iniziale
1	NL0010220711	P20711	738417	BPAEUS50CCPXP2325,72AE010816	EUROSTOXX 50	2325,72	01/08/16	100	500000	1	25	1395,432	2325,72

FINAL TERMS DATED 2 JULY 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

**Up to 500,000 EUR "Athena Double Win Relax" Certificates relating to the EURO STOXX 50® Index
due 8 August 2016**

ISIN Code: NL0010220711

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

The Securities are offered to the public in the Republic of Italy from 2 July 2012 to 31 July 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 1 June 2012 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by the Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). The Base Prospectus

dated 1 June 2012 has been passported into Italy in compliance with Article 18 of the Prospectus Directive. This document constitutes the Final Terms of the Securities 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 Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten - AFM) website www.afm.nl and copies of this document and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperto 5, 20123, Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN	Common Code	Issue Price per Security	Redemption Date
CE664MAV	Up to 500,000	Up to 500,000	NL0010220711	079925519	EUR 100	8 August 2016

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

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

2. Guarantor: BNP Paribas

3. Trade Date: 31 July 2012.

4. Issue Date: 7 August 2012.

5. Consolidation: Not applicable.

6. Type of Securities: (a) Certificates.

(b) The Securities are Index Securities.

The Certificates are "**Athena Double Win Relax**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 1 August 2016, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 1 (*Additional Terms and Conditions for Index Securities*) shall apply.

7. Form of Securities: Italian Dematerialised Securities.

8. Business Day Centre(s): The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.

9. Settlement: Settlement will be by way of cash payment (**Cash Settled Securities**).

10. Variation of Settlement: The Issuer does not have the option to vary settlement in respect of the Securities.

11. Relevant Asset(s): Not applicable.

12. Entitlement: Not applicable.

13. Exchange Rate: Not applicable.

14. Settlement Currency: The settlement currency for payment of the Cash Settlement Amount is Euro ("**EUR**").

15. Syndication: The Securities will be distributed on a non-syndicated basis.

- 16. Minimum Trading Size:** The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
- 17. Principal Security Agent:** BNP Paribas Securities Services, Milan Branch.
- 18. Registrar:** Not applicable.
- 19. Calculation Agent:** BNP Paribas Arbitrage S.N.C.
8 rue de Sofia, 75018 Paris, France.
- 20. Governing law:** English law.
- 21. Special conditions or other modifications to the Terms and Conditions:** **Minimum exercise number of Securities:** The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is **P20711**

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2)

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

ANNEX 1 (3)(2)

Paragraph (a) bis shall be deemed to be added between point (a) and (b):

"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 of the Securities".

The following shall be deemed to be deleted from Paragraph C (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of the paragraph 1 (3) (2):

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

PRODUCT SPECIFIC PROVISIONS

22. Index Securities:

Applicable.

(a) Index/Basket of Indices/Index Sponsor(s): The **Underlying Index** is the EURO STOXX 50[®] Index (Reuters Code: **.STOXX50E**/ Bloomberg Code: **SX5E < Index>**).

Stoxx Limited or any successor thereto is the Index Sponsor.

The EURO STOXX 50[®] Index is a Composite Index.

For the purposes of the Conditions, the Underlying Index shall be deemed an Index.

(b) Index Currency: EUR.

(c) Exchange(s): As set out in Annex 1 for a Composite Index.

(d) Related Exchange(s): All Exchanges.

(e) Exchange Business Day: Single Index Basis.

(f) Scheduled Trading Day: Single Index Basis.

(g) Weighting: Not applicable.

(h) Settlement Price: The Settlement Price will be calculated on the basis of the official

	Closing Level of the Index as announced by the Index Sponsor.
(i) Disrupted Day:	If any Automatic Early Redemption Valuation Date, or the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Index Security Condition 1.
(j) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
(k) Valuation Time:	The Valuation Time will be the time when the official Closing Level of the Index is announced by the Index Sponsor.
(l) Delayed Redemption on Occurrence of an Index Adjustments Event:	Not applicable.
(m) Index Correction Period:	As per Conditions.
(n) Other terms or special conditions:	Not applicable.
(o) Additional provisions applicable to Custom Indices:	Not applicable.
(p) Additional provisions applicable to Futures Price Valuation:	Not applicable.
23. Share Securities:	Not applicable.
24. ETI Securities:	Not applicable.
25. Debt Securities:	Not applicable.
26. Commodity Securities:	Not applicable.
27. Inflation Index Securities:	Not applicable.
28. Currency Securities:	Not applicable.
29. Fund Securities:	Not applicable.
30. Market Access Securities:	Not applicable.
31. Futures Securities:	Not applicable.
32. Credit Securities:	Not applicable.
33. Preference Share Certificates:	Not applicable.
34. OET Certificates:	Not applicable.
35. Additional Disruption Events:	Applicable.
	Hedging Disruption does not apply to the Securities.
36. Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities: Not applicable. (b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.
37. Knock-in Event:	Not applicable.
38. Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39. Provisions relating to Warrants: Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40. Provisions relating to Certificates: Applicable.

- (a) Notional Amount of each Certificate:** EUR 100
- (b) Partly Paid Certificates:** The Certificates are not Partly Paid Certificates.
- (c) Interest:** Not applicable.
- (d) Fixed Rate Provisions:** Not applicable.
- (e) Floating Rate Provisions:** Not applicable.
- (f) Linked Interest Certificates:** Not applicable.
- (g) Payment of Premium Amount(s):** Applicable.
- (i) Premium Amount(s):** EUR 6.70 per Certificate.
- (ii) Linked Premium Amount Certificates:** Not applicable.
- (iii) Premium Amount Payment Date(s):**

12 August 2013; provided that if the Premium Amount Payment Date would otherwise fall on a day which is not a Business Day, the Premium Amount Payment Date shall be postponed to the next day which is a Business Day.

For the avoidance of doubt, each Certificate pays the Premium Amount on the Premium Amount Payment Date provided however that no Automatic Early Redemption (as specified in PART-A § 40(t) below) has occurred on 31 July 2013. If such Automatic Early Redemption has occurred on such date, no Premium Amount will be paid on the Premium Amount Payment Date.
- (iv) Premium Amount Record Date(s):**

6 August 2013; provided that if the Premium Amount Record Date would otherwise fall on a day which is not a Business Day, the Premium Amount Record Date shall be postponed to the next day which is a Business Day.
- (h) Index Linked Interest Certificates:** Not applicable.
- (i) Share Linked Interest Certificates:** Not applicable.
- (j) ETI Linked Interest Certificates:** Not applicable.
- (k) Debt Linked Interest Certificates:** Not applicable.

(l) Commodity Linked Interest Certificates:	Not applicable.
(m) Inflation Index Linked Interest Certificates:	Not applicable.
(n) Currency Linked Interest Certificates:	Not applicable.
(o) Fund Linked Interest Certificates:	Not applicable.
(p) Futures Linked Interest Certificates:	Not applicable.
(q) Instalment Certificates:	The Certificates are not Instalment Certificates.
(r) Issuer Call Option:	Not applicable.
(s) Holder Put Option:	Not applicable.
(t) Automatic Early Redemption:	Applicable.
	If, on the Automatic Early Redemption Valuation Date _i indicated in the table below, the official Closing Level of the Underlying Index is greater than or equal to its Automatic Early Redemption Level _i , the Security will be automatically early redeemed and the Holder will receive, on the Automatic Early Redemption Date _i , payment of Automatic Early Redemption Amount _i as set out in the table below:

i	Automatic Early Redemption Valuation Date _i	Automatic Early Redemption Level _i	Automatic Early Redemption Amount _i	Automatic Early Redemption Date _i
1	31 July 2013	100% x Index _{Initial}	EUR 106.70	12 August 2013
2	31 July 2014	100% x Index _{Initial}	EUR 106.70	11 August 2014
3	31 July 2015	100% x Index _{Initial}	EUR 113.40	12 August 2015

(i) Automatic Early Redemption Amount:	See table above.
(ii) Automatic Early Redemption Date(s):	See table above.
(iii) Automatic Early Redemption Level:	See table above.
(iv) Automatic Early Redemption Rate:	Not applicable.
(v) Automatic Early Redemption Valuation Date(s):	See table above.
(u) Cash Settlement Amount:	Unless previously redeemed or purchased and cancelled by the Issuer, each Security will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Index_{Final}** is greater than or equal to the **Barrier Level**:

$$N \times [100\% + \text{Redemption Premium}]$$

2) Otherwise:

$$N \times \frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}}$$

Where:

N is the Notional Amount of each Certificate (see §40(a));

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

Index_{Final} is equal to $\frac{1}{5} * \sum_{t=1}^5 \text{Index}_t$;

Redemption Premium is equal to $\text{Max} \left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} - 1; 1 - \frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right)$;

Index_t is the official Closing Level of the Underlying Index on Final Valuation Date;

t	Final Valuation Date_t
1	26 July 2016
2	27 July 2016
3	28 July 2016
4	29 July 2016
5	1 August 2016

Barrier Level is 60% x **Index_{Initial}**

Pursuant the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in §40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v) Renouncement Notice Cut-off Time:	5.00 p.m. (Milan Time) on the Scheduled Trading Day following the Exercise Date.
(w) Strike Date:	31 July 2012.
(x) Redemption Valuation Date:	The Exercise Date.
(y) Averaging:	Averaging does not apply to the Securities.
(z) Observation Dates:	Not applicable.
(aa) Observation Period:	Not applicable.
(bb) Settlement Business Day:	Not applicable.
(cc) Cut-off Date	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41. **Selling Restrictions:** As set out in the Base Prospectus.
- (a) **Eligibility for sale of Securities in the United States to AIs:** The Securities are not eligible for sale in the United States to AIs.
- (b) **Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A:** The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
- (c) **Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act:** The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42. **Additional U.S. Federal income tax consequences:** Not applicable.
43. **Registered broker/dealer:** Not applicable.
44. **Non exempt Offer:** An offer of the Securities will be made through **Banca Nazionale Del Lavoro S.p.A.** (the "**Distributor**", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the "**Public Offer Jurisdiction**") during the period from **2 July 2012 until 31 July 2012** during the hours in which the banks are open for business in the Republic of Italy (the "**Offer Period**").
- See further Paragraph 8 of Part B below.

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45. **Collateral Security Conditions:** Not applicable.

Purpose of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:

A handwritten signature in blue ink, appearing to read 'C. Nastasa', with a horizontal line drawn underneath it.

By: ..Cezar NASTASA.. Duly authorised

PART B - OTHER INFORMATION

1. Listing and Admission to trading

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is A2 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "A" rating means that the obligations of the Issuer and the Guarantor under the Programme are judged to be upper-medium grade and are subject to low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aaa through Caa. The modifier 2 indicates a mid-range ranking.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

Moody's and Standard & Poor's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended).

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale Del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor(s) will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 1.00% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 50,000,000.

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They do not reflect the fees payable to the Distributor(s).

Estimated total expenses:

EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The "Athena Double Win Relax" Security is a EUR denominated Security with a 4-year maturity that pays the Premium Amount on the Premium Amount Payment Date, as described in Part A § 40 (g).

This Security may be automatically early redeemed pursuant to the provisions detailed in Part A §40(t).

If not automatically early redeemed, the Security offers the possibility to receive on the Redemption Date a Cash Settlement Amount pursuant to the provisions detailed in Part A §40(u).

The Securities are not capital protected. The investors will benefit from a capital protection if the Underlying Index closes at a level greater than or equal to the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold, before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Information and historical performances on the relevant Index are available on the website: www.stoxx.com

7. Operational Information

Relevant Clearing System(s): Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period: From 2 July 2012 to 31 July 2012

Offer Price: The Issue Price (of which a maximum annual amount of 1.00% is represented by commissions payable to the Distributor(s)).

Conditions to which the offer is subject: The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process: From 2 July 2012 to, and including, 31 July 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the Distributor and, subject to availability, through the trading-online platform. The distribution activity will be carried out in accordance with the usual procedures of the Distributor(s).

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application:

Minimum subscription amount per investor: EUR 100

Maximum subscription amount per investor: 500,000 x Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor(s) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through the Distributor(s) during the Offer Period will be assigned up to the maximum amount of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

Details of the method and time limits for paying up and delivering Securities:

The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor(s) of the gross subscription moneys.

The Securities are cleared through the clearing systems and are due to be delivered through the Distributor(s) on or around the Issue Date.

Manner in and date on which results of the offer are to be made public:

Publication by loading the following link (<http://www.prodottidiborsa.com>) in each case on or around the Issue Date.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable.

Categories of potential investors to which the Securities are offered:

Offers may be made through the Distributor(s) in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor(s) pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary.

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Each investor will be notified by the Distributor(s) of its allocation of Securities after the end of the Offer Period.

No dealings in the Securities may take place prior to the Issue Date.

Amount of any expenses and taxes specifically charges to the subscriber or purchaser:

The Issuer is not aware of any expenses and taxes specifically charged to the subscriber.

For the Offer Price which includes the commissions payable to the Distributor(s) see above "Offer Price".

For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the placers in the various countries where the offer takes place:

Not applicable.

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:

Not applicable.

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):

BNP Paribas Securities Services, Milan Branch
Via Ansperto 5, 20123, Milano, Italy.

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:

The placement activity will be carried out by:

Banca Nazionale del Lavoro S.p.A.
Via V. Veneto 119
00187 Rome, Italy.

(the **Distributor**)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached:

Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE

(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

**Up to 500,000 EUR "Athena Double Win Relax" Certificates relating to the EURO STOXX 50® Index
due 8 August 2016**

ISIN Code: NL0010220711

(the Securities)

To: **BNP Paribas Securities Services, Milan Branch**

Via Ansperto 5, 20123, Milano, Italy
Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder

Name of beneficial owner of the Securities

Signature

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward

to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. The stamp duty applies at a rate of 0.1 per cent. for year 2012 and at 0.15 per cent. for subsequent years; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the securities held. The stamp duty can be no lower than € 34.20 and, for the year 2012 only, it cannot exceed € 1,200.

Under a preliminary interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the securities outside the Italian territory are required to pay an additional tax at a rate of 0.1 per cent. for 2011 and 2012, and at 0.15 per cent. for subsequent years.

This tax is calculated on the market value of the securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such

information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Index Disclaimer

Neither the Issuer nor the Guarantor shall have any liability for any act or failure to act by an Index Sponsor in connection with the calculation, adjustment or maintenance of an Index. Except as disclosed prior to the Issue Date, neither the Issuer, the Guarantor nor their affiliates has any affiliation with or control over an Index or Index Sponsor or any control over the computation, composition or dissemination of an Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning an Index.

EURO STOXX 50® Index

STOXX and its licensors (the "Licensors") have no relationship to BNP PARIBAS, other than the licensing of the EURO STOXX 50® Index and the related trademarks for use in connection with the Certificates.

STOXX and its Licensors do not:

- ▪ *Sponsor, endorse, sell or promote the Certificates.*
- ▪ *Recommend that any person invest in the Certificates or any other securities.*
- ▪ *Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Certificates.*
- ▪ *Have any responsibility or liability for the administration, management or marketing of the Certificates.*
- ▪ *Consider the needs of the Certificates or the owners of the Certificates in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so.*

STOXX and its Licensors will not have any liability in connection with the Certificates. Specifically,

- *STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:*
 - *The results to be obtained by the Certificates, the owner of the Certificates or any other person in connection with the use of the EURO STOXX 50® Index and the data included in the EURO STOXX 50® Index;*
 - *The accuracy or completeness of the EURO STOXX 50® Index and its data;*
 - *The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data;*
- *STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data;*
- *Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.*

The licensing agreement between BNP PARIBAS and STOXX is solely for their benefit and not for the benefit of the owners of the Certificates or any other third parties.

Di seguito è riportato in lingua italiana il contenuto dei *Final Terms* (cd. Condizioni Definitive), applicabili agli strumenti finanziari di seguito individuati, fermo restando che (i) il testo di lingua inglese prevarrà in caso di eventuale divergenza con, od omissioni nella, presente traduzione, (ii) ai sensi della vigente normativa applicabile in materia di prospetti, non sussiste alcun obbligo di effettuare, ovvero consegnare, la presente ai potenziali investitori, né di trasmetterla ad alcuna autorità, (iii) la presente traduzione è effettuata esclusivamente al fine di agevolare la lettura da parte dei potenziali investitori del testo in lingua inglese dei *Final Terms* redatto ai sensi dell'Articolo 5.4 della Direttiva Prospetti (come di seguito definita), e, in tal senso, (iv) i potenziali investitori sono invitati, ai fini di avere una informativa completa sull'Emittente e sull'offerta degli strumenti finanziari, di seguito individuati, a leggere attentamente le informazioni contenute nei *Final Terms* e nel Prospetto di Base ed in ogni relativo supplemento e documentazione di offerta di seguito individuata.

CONDIZIONI DEFINITIVE DATATE 2 luglio 2012

BNP Paribas Arbitrage Issuance B.V.

(società di diritto olandese)

(in qualità di Emittente)

BNP Paribas

(società di diritto francese)

(in qualità di Garante)

Programma di Warrant e Certificate

Fino a 500.000 Titoli EUR " Athena Double Win Relax" legati all'Indice EURO STOXX 50[®] con scadenza 8 agosto 2016

Codice ISIN: NL0010220711

BNP Paribas Arbitrage S.N.C.

(in qualità di Manager)

I Titoli sono offerti al pubblico in Italia dal 2 luglio 2012 al 31 luglio 2012

Il Prospetto di Base a cui si fa riferimento di seguito (come completato dalle presenti Condizioni Definitive) è stato predisposto sulla base del fatto che, fatta eccezione per quanto previsto al seguente sotto-paragrafo (ii), ogni offerta di Titoli in qualsiasi Stato Membro dello Spazio Economico Europeo che ha attuato la Direttiva Prospetti (ciascuno, uno "**Stato Membro Rilevante**") sarà effettuata ai sensi di una esenzione prevista dalla Direttiva Prospetti, come attuata in tale Stato Membro Rilevante, dall'obbligo di pubblicare un prospetto per l'offerta dei Titoli. Pertanto, ogni persona che promuova o che intenda promuovere un'offerta dei Titoli può farlo esclusivamente:

- (i) in circostanze in cui non sorge l'obbligo per l'Emittente o per qualsiasi Manager di pubblicare un prospetto ai sensi dell'Articolo 3 della Direttiva Prospetti o di supplementare un prospetto ai sensi dell'Articolo 16 della Direttiva Prospetti, in ciascun caso, in relazione a tale offerta; o
- (ii) in quelle giurisdizioni indicate al Paragrafo 44 della Parte A che segue, posto che tale persona sia una delle persone indicate nel Paragrafo 44 della Parte A che segue e che tale offerta sia promossa durante il Periodo di Offerta ivi indicato.

Né l'Emittente né alcuno dei Manager ha autorizzato, né autorizza, lo svolgimento di alcuna offerta di Titoli in alcuna altra circostanza.

Il termine "**Direttiva Prospetti**" indica la Direttiva 2003/71/CE (e le relative modifiche alla stessa, inclusa la Direttiva di Modifica della Direttiva Prospetti del 2010, nella misura in cui è stata attuata nello Stato Membro Rilevante), ed include ciascuna relativa misura di recepimento nello Stato Membro Rilevante ed il termine **Direttiva di Modifica della Direttiva Prospetti del 2010** si riferisce alla Direttiva 2010/73/UE.

Gli investitori dovrebbero considerare che, ove un supplemento al, o una versione aggiornata del, Prospetto di Base menzionato di seguito sia pubblicato in qualsiasi momento durante il Periodo di Offerta (come di seguito definito), tale supplemento o Prospetto di Base aggiornato, a seconda del caso, sarà pubblicato e reso disponibile con le medesime modalità adottate per la pubblicazione delle presenti Condizioni Definitive. Qualsiasi investitore che abbia aderito all'Offerta (come di seguito definita) prima della data di pubblicazione di tale supplemento o versione aggiornata del Prospetto di Base, a seconda del caso, (la "**Data di Pubblicazione** ") ha il diritto entro due giorni lavorativi dalla Data di Pubblicazione di revocare la propria adesione.

PARTE A – CONDIZIONI CONTRATTUALI

I termini utilizzati nel presente documento sono definiti ai fini delle Condizioni di cui al Prospetto di Base datato 1 giugno 2012 che costituisce un prospetto di base ai sensi della Direttiva 2003/71/CE (la **Direttiva Prospetti**) come modificata (comprese le modifiche apportate dalla Direttiva 2010/73/UE (la **Direttiva del 2010 di Modifica della Direttiva Prospetti**) nella misura in cui tali modifiche siano state attuate in uno Stato Membro rilevante). Il Prospetto di Base datato 1 giugno 2012 è stato passaportato in Italia in conformità all'Articolo 18 della Direttiva Prospetti. Il presente documento costituisce le Condizioni Definitive dei Titoli qui descritti ai fini dell'Articolo 5.4 della Direttiva Prospetti e va letto unitamente al Prospetto di Base. L'informativa completa su BNP Paribas Arbitrage Issuance B.V. (**l'Emittente**), nonché sull'offerta dei Titoli è ricavabile solo sulla base della consultazione congiunta delle presenti Condizioni Definitive e del Prospetto di Base. Il Prospetto di Base è disponibile per la consultazione presso il sito internet dell'Autorità Olandese per i Mercati Finanziari (**Autoriteit Financiële Markten - AFM**) www.afm.nl, e copie di tali documenti e delle Condizioni Definitive possono essere ottenute gratuitamente presso BNP Paribas Securities Services, Succursale di Milano, Via Ansperto 5, 20123 Milano, Italia.

Nel presente documento, qualsiasi riferimento numerico alle Condizioni è fatto al regolamento della rilevante serie di Titoli e i termini e le espressioni definiti nel predetto regolamento avranno lo stesso significato nelle presenti Condizioni Definitive, in quanto si riferiscano ai medesimi Titoli e salvo ove diversamente ed espressamente specificato.

Le presenti Condizioni Definitive riguardano la serie di Titoli indicata al paragrafo "Disposizioni Generali relative ad ogni Serie" che segue. Nel presente documento, con "**Titoli**" si intende fare riferimento ai Titoli oggetto delle presenti Condizioni Definitive. Pertanto, ogni riferimento a "**Titolo**" deve essere interpretato di conseguenza.

Numero di serie	N. di Titoli emessi	N. di Titoli	Codice ISIN	Common Code	Prezzo di emissione per Certificate	Data di Liquidazione:
CE664MAV	Fino a 500.000	Fino a 500.000	NL0010220711	079925519	EUR 100	8 agosto 2016

La Data di Liquidazione sarà soggetta a rettifiche ai sensi della *Following Business Day Convention*.

DISPOSIZIONI GENERALI

Ad ogni Serie di Titoli si applicano le seguenti condizioni:

1. Emittente: BNP Paribas Arbitrage Issuance B.V.
2. Garante: BNP Paribas
3. Data di *Trade*: 31 luglio 2012
4. Data di Emissione: 7 agosto 2012
5. Consolidamento: Non applicabile.
6. Tipo di Titoli:
 - (a) *Certificates*.
 - (b) I Titoli sono Titoli legati ad Indice.

(c) I Titoli sono Titoli Euro “*Athena Double Win Relax*”.

L'Esercizio Automatico si applica alla Data di Esercizio.

La **Data di Esercizio** è il 1 agosto 2016 o, qualora tale giorno non sia un Giorno Lavorativo, il Giorno Lavorativo immediatamente successivo.

Alla Data di Esercizio si applicheranno i medesimi aggiustamenti applicabili alla Data di Valutazione della Liquidazione. Ai fini di Borsa Italiana, la Data di Esercizio deve considerarsi la data di scadenza dei Titoli, ovvero la data in cui i Titoli scadono.

Si applicano le previsioni dell'*Annex 1 (Ulteriori termini e condizioni per Titoli legati ad Indice)*.

7. Forma dei Titoli: Titoli italiani dematerializzati.
8. Centro(i) del Giorno Lavorativo (*Business Day Center*): Il Centro del Giorno Lavorativo applicabile ai fini della definizione di "Giorno Lavorativo" di cui alla Condizione 1 è TARGET2.
9. Liquidazione: La liquidazione avverrà mediante pagamento in contanti (**Titoli con liquidazione in contanti**).

10.	Variazione della modalità di Liquidazione:	
	(a) Opzione dell'Emittente di variare la liquidazione:	L'Emittente non ha la possibilità di variare la liquidazione con riferimento ai Titoli.
	(b) Variazione della Liquidazione per i Titoli con Consegna Fisica	Non applicabile
11.	Asset(s) Rilevanti:	Non applicabile.
12.	Entitlement:	Non applicabile.
13.	Tasso di Cambio:	Non applicabile.
14.	Valuta di Liquidazione:	La valuta di liquidazione per il pagamento dell'Importo di Liquidazione in Contanti è l'Euro ("EUR").
15.	Sindacazione:	I Titoli saranno distribuiti su base non sindacata.
16.	Taglio Minimo di Negoziazione:	Il taglio minimo di negoziazione sarà stabilito dalla Borsa Italiana con l'avviso che comunica il primo giorno di negoziazioni.
17.	Agente Principale per i Titoli:	BNP Paribas Securities Services, Succursale di Milano.
18.	Registro:	Non applicabile.
19.	Agente di Calcolo	BNP Paribas Arbitrage S.N.C. 8 rue de Sofia, 75018 Parigi, Francia.
20.	Legge Applicabile:	Legge inglese.
21.	Condizioni speciali o altre modifiche al Regolamento	Lotto minimo di esercizio dei Titoli: il numero minimo di Titoli che possono essere esercitati dal Titolare è (1) un Titolo, e multipli di (1) un Titolo.

Il Codice di Negoziazione di Borsa Italiana è P20711

Condizione 6 (Previsioni Generali)

Quanto segue si intenderà aggiunto alla fine del primo paragrafo della Condizione 6 (Previsioni Generali):

“a meno che tali errori od omissioni siano dovuti al proprio dolo o colpa grave”.

Condizione 7 (Illegalità e Forza Maggiore):

Quanto segue si intenderà eliminato dalla Condizione 7.1 (Illegalità):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Quanto segue si intenderà eliminato dalla Condizione 7.2 (Forza Maggiore):

“meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti”.

Condizione 13 (Sostituzione dell’Emittente o del Garante)

La Condizione 13(2) si intenderà eliminata e sostituita da quanto segue:

“Ove l’Emittente sia BNPP B.V., BNP o ogni società che l’abbia precedentemente sostituita, nella propria qualità di garante, non potrà essere sostituita da alcun diverso soggetto”.

Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali)

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (i):

"meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti (salvo ove diversamente previsto nelle Condizioni Definitive rilevanti)".

Quanto segue si intenderà eliminato dalla Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2) (c) (ii):

"meno il costo per l’Emittente e/o per le società da questo controllate e/o a questo collegate, della risoluzione di eventuali relativi accordi di copertura sottostanti".

Quanto segue si intenderà aggiunto al termine della Condizione 15 (Ulteriori Eventi di Turbativa ed Ulteriori Eventi di Turbativa Opzionali) (2):

"L’Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l’equivalenza economica delle obbligazioni dell’Emittente ai sensi dei Titoli".

Annex 1 (3) (2)

Il paragrafo (a) bis si intenderà aggiunto tra il punto (a) ed il punto (b):

"L’Agente per il Calcolo dovrà sostituire l’Indice con un nuovo Indice

simile, moltiplicato, se del caso, da un coefficiente di correlazione che permetta di garantire la continuità dell'andamento del sottostante dei Titoli".

Quanto segue si intenderà eliminato dal paragrafo (C)(i) e (C)(ii):

"meno il costo per l'Emittente e/o le sue affiliate della risoluzione di eventuali relativi accordi di copertura sottostanti".

La seguente frase si intenderà aggiunta alla fine del paragrafo 1 (3) (2):

"L'Agente per il Calcolo apporterà qualsiasi modifica ai termini dei Titoli che ritenga opportuna al fine di preservare l'equivalenza economica delle obbligazioni dell'Emittente ai sensi dei Titoli".

DISPOSIZIONI SPECIFICHE PER IL PRODOTTO

22.	Titoli legati ad Indici:	Applicabile
	(a) Indice/Paniere di Indici/Sponsor dell'Indice:	L' Indice Sottostante è l'Indice EURO STOXX 50[®] (Codice Reuters: .STOXX50E / Codice Bloomberg: SX5E < Index >)
		Stoxx Limited od ogni suo successore è lo Sponsor dell'Indice.
		L'Indice EURO STOXX 50[®] è un Indice Composito.
		Ai fini delle Condizioni, l'Indice Sottostante si considera un Indice.
	(b) Valuta dell'Indice:	EUR
	(c) Borsa(e):	Come indicato nell' <i>Annex 1</i> per un Indice Composito.
	(d) Borsa(e) Correlata:	Tutte le Borse.
	(e) Giorno Lavorativo di Borsa:	<i>Single Index Basis</i>
	(f) Giorno di Negoziazione Programmato:	<i>Single Index Basis</i>
	(g) Ponderazione:	Non applicabile.
	(h) Prezzo di Liquidazione:	Il Prezzo di Liquidazione sarà calcolato sulla base del Livello di Chiusura ufficiale dell'Indice, come annunciato dallo Sponsor dell'Indice.
	(i) Giorno di Turbativa:	Se la Data di Valutazione della Liquidazione Anticipata Automatica _i o la Data di Valutazione della Liquidazione è un Giorno di Turbativa, il Prezzo di Liquidazione sarà calcolato sulla base delle previsioni di cui alla Condizione per Titoli legati ad Indici 1.
	(j) Numero Massimo di Giorni di Turbativa:	Tre (3) Giorni di Negoziazione Programmati.
	(k) Orario di Valutazione:	L'Orario di Valutazione sarà l'orario in cui il Livello di Chiusura ufficiale dell'Indice è annunciato dallo Sponsor dell'Indice.
	(l) Liquidazione Ritardata al verificarsi di un Evento di Correzione dell'Indice (solo in caso di <i>Certificates</i>):	Non applicabile.
	(m) Periodo di Correzione dell'Indice:	Come da Condizioni.
	(n) Altri termini o condizioni speciali:	Non applicabile.

	(o) Ulteriori disposizioni applicabili a Indici <i>Custom</i> :	Non applicabile.
	(p) Ulteriori disposizioni applicabili alla Valutazione del Prezzo dei <i>Futures</i> :	Non applicabile.
23.	Titoli legati ad Azioni:	Non applicabile.
24.	Titoli legati a ETI:	Non applicabile.
25.	Titoli legati a Strumenti di Debito:	Non applicabile.
26.	Titoli legati a <i>Commodity</i> :	Non applicabile.
27.	Titoli legati a Indici Inflazione:	Non applicabile.
28.	Titoli legati a Valute:	Non applicabile.
29.	Titoli legati a Fondi:	Non applicabile.
30.	Titoli <i>Market Access</i> :	Non applicabile.
31.	Titoli legati a <i>Futures</i> :	Non applicabile.
32.	Titoli legati a Crediti:	Non applicabile.
33.	<i>Preference Share Certificates</i> :	Non applicabile.
34.	<i>OET Certificates</i> :	Non applicabile.
35.	Eventi di Turbativa Aggiuntivi	Applicabile. La Turbativa della Copertura non si applica ai Titoli.
36.	Eventi di Turbativa Aggiuntivi Opzionali:	(a) Ai Titoli si applica il seguente Evento di Turbativa Aggiuntivo Opzionale: Non applicabile (b) Liquidazione Ritardata al Verificarsi di un Evento di Turbativa Aggiuntivo e/o di un Evento di Turbativa Aggiuntivo Opzionale: Non applicabile.
37.	Evento <i>Knock-in</i> :	Non applicabile.
38.	Evento <i>Knock-out</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI WARRANTS

39.	Previsioni relative a <i>Warrants</i> :	Non applicabile.

DISPOSIZIONI RELATIVE AI CERTIFICATES

40.	Previsioni relative ai <i>Certificates</i> :	Applicabile.
	(a) Importo Nozionale di ogni <i>Certificate</i> :	EUR 100
	(b) <i>Certificates</i> a pagamento parziale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento parziale.
	(c) Interesse:	Non Applicabile.
	(d) Previsioni relative al Tasso Fisso:	Non Applicabile.
	(e) Previsioni relative al Tasso Variabile:	Non applicabile.
	(f) <i>Certificates</i> con Interessi legati a Indici:	Non applicabile.
	(g) Pagamento di Importo(i) Premio:	Applicabile.
	(i) Importo(i) Premio:	6,70 EUR per <i>Certificate</i>
	(ii) <i>Certificates</i> legati all'Importo Premio:	Non applicabile
	(iii) Giorno(i) di Pagamento dell'Importo Premio:	12 agosto 2013; a condizione che il Giorno di Pagamento dell'Importo Premio sia un giorno che non sia un Giorno Lavorativo, tale Giorno di Pagamento dell'Importo Premio sarà posticipato al giorno successivo che sia un Giorno Lavorativo. <i>A fini di chiarezza, ciascun Titolo paga l'Importo Premio al Giorno di Pagamento dell'Importo Premio, a condizione che in ogni caso non si sia verificato la Liquidazione Anticipata Automatica (come indicato nella PART-A al § 40(t) che segue) al 31 luglio 2013. Qualora tale Liquidazione Anticipata Automatica si verifichi in tale data, non sarà pagato alcun Importo Premio al Giorno di Pagamento dell'Importo Premio.</i>
	(iv) Giorno(i) di Registrazione dell'Importo Premio	6 agosto 2013, a condizione che il Giorno di Registrazione dell'Importo Premio sia un giorno che non sia un Giorno Lavorativo, tale Giorno di Registrazione dell'Importo Premio sarà posticipato al giorno successivo che sia un Giorno Lavorativo.

(h) <i>Certificates</i> con Interessi legati a Indici/Importo Premio:	Non applicabile.
(i) <i>Certificates</i> con Interessi legati ad Azioni/Importo Premio:	Non applicabile.
(j) <i>Certificates</i> con Interessi legati a ETI/Importo Premio:	Non applicabile.
(k) <i>Certificates</i> con Interessi legati a Strumenti di Debito/Importo Premio:	Non applicabile.
(l) <i>Certificates</i> con Interessi legati a <i>Commodity</i> /Importo Premio:	Non applicabile.
(m) <i>Certificates</i> con Interessi legati ad Indici di Inflazione/Importo Premio:	Non applicabile.
(n) <i>Certificates</i> con Interessi legati a Valute/Importo Premio:	Non applicabile.
(o) <i>Certificates</i> con Interessi legati a Fondi/Importo Premio:	Non applicabile.
(p) <i>Certificates</i> con Interessi legati a <i>Futures</i> /Importo Premio:	Non applicabile.
(q) <i>Certificates</i> a pagamento rateale:	I <i>Certificates</i> non sono <i>Certificates</i> a pagamento rateale.
(r) Opzione Call dell'Emittente:	Non applicabile.
(s) Opzione Put del Portatore:	Non applicabile.
(t) Liquidazione Anticipata Automatica:	Applicabile.

Se alla Data di Valutazione della Liquidazione Anticipata Automatica_i indicata nella tabella che segue, il Livello di Chiusura ufficiale dell'Indice è superiore o pari al rispettivo Livello di Liquidazione Anticipata Automatica_i, il Titolo sarà automaticamente liquidato anticipatamente ed il Titolare riceverà alla Data di Liquidazione Anticipata Automatica_i il pagamento dell'Importo di Liquidazione Anticipata Automatica_i, come indicato nella tabella che segue.

i	Data di Valutazione della Liquidazione Anticipata Automatica _i	Livello di Liquidazione Anticipata Automatica _i	Importo di Liquidazione Anticipata Automatica _i	Data di Liquidazione Anticipata Automatica _i

1	31 luglio 2013	100% x Indice _{Iniziale}	EUR 106,70	12 agosto 2013
2	31 luglio 2014	100% x Indice _{Iniziale}	EUR 106,70	11 agosto 2014
3	31 luglio 2015	100% x Indice _{Iniziale}	EUR 113,40	12 agosto 2015

(i) Importo di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(ii) Data(e) di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(iii) Livello di Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(iv) Tasso della Liquidazione Anticipata Automatica: Non applicabile.

(v) Data(e) di Valutazione della Liquidazione Anticipata Automatica: Si veda la tabella che precede.

(u) Importo di Liquidazione in Contanti:

A condizione che non sia stato precedentemente liquidato o acquistato e cancellato dall'Emittente, ciascun Titolo sarà esercitato automaticamente alla Data di Esercizio ed il Titolare riceverà un Importo di Liquidazione in Contanti determinato ai sensi delle seguenti previsioni:

1) Se alla Data di Valutazione della Liquidazione, **Indice_{Finale}** è maggiore o pari al **Livello Barriera**:

$$N \times [100\% + \text{Premio di Liquidazione}]$$

2) Altrimenti:

$$N \times \frac{\text{Indice}_{\text{Finale}}}{\text{Indice}_{\text{Iniziale}}}$$

dove:

N è l'Importo Nozionale di ciascun *Certificate* (si veda il § 40 (a));

Indice_{Iniziale} è il Livello di Chiusura ufficiale dell'Indice alla Data di *Strike*;

$$\text{Indice}_{\text{Finale}} \text{ è pari a } \frac{1}{5} * \sum_{t=1}^5 \text{Indice}_t ;$$

Premio di Liquidazione è pari a

$$\text{Max} \left(\frac{\text{Indice}_{\text{Finale}}}{\text{Indice}_{\text{Iniziale}}} - 1; 1 - \frac{\text{Indice}_{\text{Finale}}}{\text{Indice}_{\text{Iniziale}}} \right)$$

t	Data di Valutazione Finale _t
1	26 luglio 2016
2	27 luglio 2016
3	28 luglio 2016
4	29 luglio 2016
5	1 agosto 2016

Indice_t è il Livello di Chiusura ufficiale dell'Indice alla Data di Valutazione Finale_t

Livello Barriera è 60 x **Indice_{Iniziale}**

È possibile ottenere copia della Notifica di Rinuncia durante il normale orario lavorativo dall'ufficio specificato dell' Agente per i Titoli.

Qualora non sia ricevuta alcuna Notifica di Rinuncia entro l'Ora di *Cut-off* della Notifica di Rinuncia (indicata al § 40(v)), l'Importo di Liquidazione in Contanti sarà pagato automaticamente dall'Emittente alla Data di Liquidazione.

Nessuna Notifica di Rinuncia può essere revocata dopo che la stessa sia stata ricevuta dall'Agente. Dopo la consegna di una Notifica di Rinuncia, il relativo Titolare non potrà trasferire i Titoli oggetto della stessa.

(v) Ora di <i>Cut-off</i> della Notifica di Rinuncia:	Le ore 17.00 (ora di Milano) del Giorno di Negoziazione Programmato successivo alla Data di Esercizio.
(w) Data di <i>Strike</i> :	31 luglio 2012
(x) Data di Valutazione della Liquidazione:	La Data di Esercizio.
(y) <i>Averaging</i> :	L' <i>Averaging</i> non si applica ai Titoli
(z) Date di Osservazione:	Non applicabile.
(aa) Periodo di Osservazione:	Non applicabile.
(bb) Giorno Lavorativo di Liquidazione:	Non applicabile.
(cc) Data di <i>Cut-off</i> :	Non applicabile.

DISTRIBUZIONE ED IDONEITA' ALLA VENDITA NEGLI STATI UNITI

41.	Restrizioni alla Vendita:	Come descritte nel Prospetto di Base.
	(a) Idoneità alla vendita dei Titoli negli Stati Uniti ad <i>AIs</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti ad <i>AIs</i> .
	(b) Idoneità alla vendita dei Titoli negli Stati Uniti a <i>Qualified Institutional Buyers (QIBs)</i> come definiti nella <i>Rule 144a</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ai sensi della <i>Rule 144A</i> .
	(c) Idoneità alla vendita dei Titoli negli Stati Uniti a <i>QIBs</i> come definiti nella <i>Rule 144a</i> che sono altresì <i>Qualified Purchasers (QPs)</i> come definiti nell' <i>Investment Company Act</i> :	I Titoli non sono idonei alla vendita negli Stati Uniti a <i>QIBs</i> ed a <i>QPs</i> .
42.	Conseguenze fiscali aggiuntive ai sensi della legge federale statunitense:	Non applicabile.
43.	<i>Broker/dealer</i> registrato:	Non applicabile.
44.	Offerta non esente:	Un'offerta dei Titoli sarà effettuata tramite Banca Nazionale del Lavoro S.p.A. (il "Collocatore" e, congiuntamente ad ogni altro soggetto cui sarà conferito l'incarico di collocatore con riferimento ai Titoli durante il Periodo di Offerta, i "Collocatori") al di fuori delle ipotesi di cui all'Articolo 3(2) della Direttiva Prospetti in Italia (la Giurisdizione dell'Offerta Pubblica), dal 2 luglio 2012 al 31 luglio 2012, negli orari in cui le banche sono generalmente aperte per la propria attività in Italia (il Periodo di Offerta). Per ulteriori informazioni si veda il Paragrafo 8 della Parte B di seguito.

DISPOSIZIONI RELATIVE AL COLLATERAL E ALLA GARANZIA

45.	Condizioni del <i>Collateral Security</i> :	Non applicabile.

Scopo delle Condizioni Definitive

Le presenti Condizioni Definitive ricomprendono le condizioni definitive necessarie per l'emissione, l'offerta pubblica nella Giurisdizione dell'Offerta Pubblica e l'ammissione alla negoziazione presso il *Securitized Derivatives Market* (il "**SeDeX**") organizzato e gestito da Borsa Italiana S.p.A., dei *Certificates* qui descritti ai sensi del Programma di Warrant e Certificate di BNP Paribas, BNP Paribas Arbitrage Issuance B.V.

Responsabilità

L'Emittente si assume la responsabilità per le informazioni contenute nelle presenti Condizioni Definitive. Per quanto a conoscenza dell'Emittente (che ha adottato ogni ragionevole cura per assicurare che questo sia il caso), le informazioni contenute nelle presenti Condizioni Definitive sono conformi ai fatti e non presentano omissioni tali da alterarne il senso. Le informazioni incluse nella Parte B (le **Altre Informazioni**) sono un estratto o un riassunto di informazioni di pubblico dominio sull'Indice. L'Emittente conferma che dette informazioni sono state riprodotte accuratamente e che, per quanto a sua conoscenza e per quanto è in grado di accertare in base alle informazioni pubblicate dallo Sponsor dell'Indice, non sono stati omessi fatti che potrebbero rendere impreciso o fuorviante quanto riprodotto.

Sottoscritto per conto di BNP Paribas Arbitrage Issuance B.V.

In qualità di Emittente:

Da: _____

debitamente autorizzato.

PARTE B – ULTERIORI INFORMAZIONI

1. Quotazione ed Ammissione alla negoziazione

Sarà presentata domanda di quotazione dei *Certificates* presso la Borsa Valori italiana, nonché di ammissione alla negoziazione dei *Certificates* oggetto della presente offerta presso il *Securitized Derivatives Market* (il “**SeDeX**”) organizzato e gestito da Borsa Italiana S.p.A.

2. Ratings

I Titoli che saranno emessi non hanno ricevuto un rating.

Il *rating* assegnato al Garante è A2 da parte di Moody's e AA- da parte di Standard and Poor's.

Come definito da Moody's un giudizio "A" implica che le obbligazioni dell'Emittente e del Garante ai sensi del Programma sono considerate appartenenti al livello medio-alto della scala e il rischio di credito è basso. Ad ogni categoria di rating compresa tra Aaa e Caa Moody's aggiunge i numeri 1, 2 e 3. Il numero 2 indica un posizionamento nella fascia intermedia.

Come definito da Standard and Poor's un'obbligazione con giudizio "AA" si distingue dall'obbligazione con giudizio più alto solo per un grado minimo. La capacità dell'Emittente e del Garante di onorare i propri impegni finanziari sulle obbligazioni è molto forte. L'aggiunta di un più (+) o di un meno (-) indica la relativa posizione all'interno della categoria di rating.

Moody's e Standard & Poor's sono costituite nell'Unione Europea e registrate ai sensi del Regolamento (CE) n. 1060/2009 (come modificato).

3. Fattori di rischio

Come descritti nel Prospetto di Base.

4. Interessi di Persone Fisiche e Giuridiche Coinvolte nell'Offerta

Gli investitori devono considerare che il Collocatore cui è stato conferito l'incarico di collocare i Titoli ai sensi delle presenti Condizioni Definitive, **Banca Nazionale del Lavoro S.p.A.**, appartiene al medesimo Gruppo dell'Emittente, il Gruppo BNP Paribas. In tal senso, gli investitori devono altresì considerare che il Collocatore riceverà dall'Emittente una commissione di collocamento implicita nel Prezzo di Emissione dei Titoli pari ad un ammontare massimo annuo dell'1,00% dell'Importo Emesso. Tutte le commissioni di collocamento verranno pagate in anticipo.

Salvo quanto sopra indicato e quanto descritto nel paragrafo "*Fattori di Rischio*" del Prospetto di Base, per quanto a conoscenza dell'Emittente, nessun soggetto coinvolto nell'offerta dei Titoli ha un interesse rilevante nella medesima.

5. Ragioni dell'Offerta, Proventi Netti Stimati e Spese Complessive

Ragioni dell'Offerta:

I proventi netti derivanti dall'emissione dei Titoli diverranno parte dei fondi generali dell'Emittente. Tali proventi potranno essere usati per mantenere posizioni su opzioni o contratti *futures*, ovvero altri strumenti di copertura.

Proventi Netti Stimati:

Fino ad Euro 50.000.000.

A fini di chiarezza, si precisa che i proventi netti stimati riflettono i proventi che l'Emittente riceverà alla Data di Emissione. Non riflettono le commissioni pagabili al

	Collocatore.
Spese Nette Stimate:	EUR 3.000 pari alla commissione di quotazione minima nota all'Emittente alla Data di Emissione.

6. Andamento del Sottostante/Formula/Altre Variabili, Spiegazioni circa gli Effetti sul Valore dell' Investimento e Rischi Associati e altre Informazioni relative al Sottostante

Il Titolo "**Athena Double Win Relax**" è un Titolo denominato in Euro con scadenza a 4 anni che paga un Importo Premio al Giorno di Pagamento dell'Importo Premio ai sensi delle previsioni di cui al § 40 (g).

Il Titolo può essere liquidato anticipatamente automaticamente ai sensi delle previsioni di cui al § 40 (t).

Se non liquidato anticipatamente, questo Titolo offre all'investitore l'opportunità di ricevere un Importo di Liquidazione in Contanti calcolato ai sensi delle previsioni di cui al § 40 (u).

Gli investitori beneficiano di una protezione del capitale a condizione che alla Data di Valutazione della Liquidazione il Livello di Chiusura ufficiale dell'Indice sia superiore o pari al Livello Barriera.

Di conseguenza gli investitori dovrebbero essere consapevoli che potrebbero affrontare la perdita parziale o totale del prezzo di acquisto dei loro *Certificates*.

Durante il periodo di mercato secondario, il prezzo del *Certificate* dipenderà dalle condizioni di mercato e potrebbe essere soggetto a fluttuazioni significative. Ove i *Certificates* siano venduti prima della Data di Liquidazione vi è un'alta probabilità che l'investitore possa subire una perdita del proprio investimento.

Informazioni dettagliate circa la *performance* storica dell'Indice possono essere ottenute sul sito internet www.stoxx.com.

7. Informazioni Operative

Sistema di accentramento rilevante:	Monte Titoli.

8. Regolamento dell'Offerta Pubblica

Periodo di Offerta:	Dal 2 luglio 2012 al 31 luglio 2012

Prezzo di Offerta:	Il Prezzo di Emissione (di cui un ammontare massimo annuo pari all'1,00% è rappresentato da commissioni pagabili al Collocatore).

Condizioni alle quali l'offerta è soggetta:	L'Offerta dei Titoli è condizionata alla loro emissione. L'Emittente si riserva il diritto di revocare l'offerta o cancellare l'emissione dei Titoli per qualsiasi motivo in accordo con il/i Collocatore, ed in qualsiasi momento, anteriormente o alla Data di Emissione. Resta inteso che, qualora un potenziale investitore abbia presentato una richiesta di sottoscrizione e l'Emittente eserciti il proprio diritto di revocare l'offerta, tale potenziale investitore non avrà il diritto di sottoscrivere o acquistare in altro modo i Titoli.
Descrizione della procedura di adesione:	Dal 2 luglio 2012 al 31 luglio 2012, incluso, o la precedente data stabilita dall'Emittente e comunicata all'incirca in tale data precedente, mediante pubblicazione sul sito internet http://www.prodottidiborsa.com (la Data di Conclusione del Periodo di Offerta). Le adesioni all'offerta dei Titoli possono essere presentate in Italia attraverso il/i Collocatore/i e, salva disponibilità, mediante la piattaforma di trading online. L'attività di collocamento sarà svolta nel rispetto delle usuali procedure del/i Collocatore/i. Ai potenziali investitori non sarà richiesto di entrare in alcun rapporto contrattuale diretto con l'Emittente con riferimento alla sottoscrizione dei Titoli.
Dettagli dell'importo di adesione minimo e/o massimo:	Importo minimo di adesione per singolo investitore: EUR 100. Importo massimo di adesione per singolo investitore: EUR 500.000*Importo Nozionale. L'ammontare massimo di adesione per i Titoli sarà soggetto solo alla disponibilità al momento dell'adesione. Non sono previsti criteri di allocazione predeterminati. Il Collocatore adotterà criteri di allocazione che assicurino la parità di trattamento dei potenziali investitori. Tutti i Titoli richiesti attraverso il Collocatore durante il Periodo di Offerta saranno assegnati fino al raggiungimento dell'ammontare massimo dell'Offerta. Nel caso in cui durante il Periodo di Offerta le richieste eccedano l'ammontare totale dell'Offerta destinato ai potenziali investitori, l'Emittente, di intesa con il Collocatore(i), procederà alla chiusura anticipata del Periodo di Offerta e sospenderà immediatamente l'accettazione di ulteriori richieste.
Descrizione della possibilità di ridurre le adesioni e delle modalità di rimborso degli importi eccedenti versati dagli aderenti:	Non applicabile.

Dettagli della modalità e scadenze per il pagamento a saldo e la consegna dei Titoli:	I Titoli saranno emessi alla Data di Emissione verso pagamento all'Emittente da parte dei Collocatori dell'ammontare lordo di sottoscrizione. I Titoli sono regolati tramite le <i>clearing systems</i> e verranno consegnati attraverso il Collocatore alla, o attorno alla, Data di Emissione.
Modalità e data di pubblicazione dei risultati dell'offerta:	Pubblicazione attraverso l'accesso al seguente sito web (http://www.prodottidiborsa.com), in ciascun caso alla, o attorno alla, Data di Emissione.
Procedura per l'esercizio dei diritti di prelazione, negoziabilità dei diritti di adesione e trattamento dei diritti di adesione non esercitati:	Non applicabile
Categorie dei potenziali investitori destinatari dell'offerta dei Titoli:	Offerte possono essere effettuate in Italia tramite il Collocatore a qualsiasi soggetto. Agli investitori qualificati potranno essere assegnati solo quei Titoli che residuino dopo aver assegnato tutti i Titoli richiesti dal pubblico in Italia durante il Periodo d'Offerta. Negli altri stati dell'Area Economica Europea, eventuali offerte possono essere effettuate tramite il Collocatore esclusivamente ai sensi di una esenzione all'obbligo di pubblicare un prospetto, previsto dalla Direttiva Prospetti come attuata in tali paesi. Ogni investitore che non si trovi in Italia dovrà contattare il proprio consulente finanziario per ottenere ulteriori informazioni, e potrà acquistare i Titoli dal proprio consulente finanziario, banca o intermediario finanziario.
Processo di comunicazione agli aderenti dell'importo assegnato e indicazione della possibilità di avviare le contrattazioni prima di tale comunicazione:	Il numero di Titoli assegnati saranno comunicati agli aderenti direttamente dai Collocatori successivamente alla chiusura del Periodo di Offerta. Nessuna negoziazione sui Titoli potrà avere luogo prima della Data di Emissione.
Ammontare di qualsiasi tassa o spesa addebitata al sottoscrittore o acquirente:	L'Emittente non è al corrente di alcuna spesa o tassa addebitata al sottoscrittore. Per quanto riguarda il Prezzo di Offerta, che include le commissioni pagabili al Collocatore, si veda il paragrafo "Prezzo di Offerta" che precede. Per maggiori informazioni sul regime fiscale applicabile ai sottoscrittori in Italia, si veda l'Allegato al presente documento.

9. Collocamento e Sottoscrizione

Nome(i) ed indirizzo(i), per quanto a conoscenza dell'Emittente, dei luoghi nei vari paesi ove l'offerta si svolge:	Non applicabile.

Nome ed indirizzo del/i coordinatore/i dell'offerta globale e delle singole parti dell'offerta:	Non applicabile.
Nome ed indirizzo degli agenti per il pagamento e degli agenti per il deposito in ciascun Paese (in aggiunta al <i>Principal Paying Agent</i>)	BNP Paribas Securities Services, Succursale di Milano Via Ansperto 5, 20123 Milano, Italia.
Soggetti che acconsentono a sottoscrivere l'emissione in base a preventiva sottoscrizione, e soggetti che acconsentono a collocare l'emissione senza preventiva sottoscrizione o su base " <i>best effort</i> ".	Il collocamento sarà effettuato da Banca Nazionale del Lavoro S.p.A: Via V.Veneto 119 00187 Roma, Italia. (il Collocatore) L'Emittente si riserva il diritto di nominare altri collocatori durante il periodo di offerta, nomina che sarà comunicata agli investitori tramite avviso pubblicato sul sito http://www.prodottidiborsa.com (congiuntamente al Collocatore, i Collocatori). Nessun obbligo di sottoscrizione è assunto dal Collocatore.
Quando l'accordo di sottoscrizione è stato o sarà stato raggiunto:	Non applicabile.

10. Rendimento

Non applicabile.

11. Tasso di interesse storico

Non applicabile.

12. Notifica di rinuncia

NOTIFICA DI RINUNCIA

(da compilarsi a cura del Portatore del Titolo)

BNP Paribas Arbitrage Issuance B.V.

**Fino a 500.000 Titoli EUR " Athena Double Win Relax" legati all'Indice EuroStoxx 50[®] con scadenza
8 agosto 2016**

Codice ISIN: NL0010220711

(i Titoli)

A: BNP Paribas Securities Services, Filiale di Milano
Via Ansperto 5, 20123, Milano, Italia
Fax n.: (39) 02 72474 444

Il sottoscritto Portatore dei Titoli

comunica con la presente di rinunciare all'esercizio automatico, alla Data di Esercizio, dei diritti conferiti dai Titoli secondo il Regolamento dei Titoli, come modificato e/o integrato dalle Condizioni Definitive applicabili (i "**Termini dei Titoli**").

Numero di Serie dei Titoli:

Numero dei Titoli oggetto della presente notifica:

Il sottoscritto riconosce che, qualora la presente Notifica di Rinuncia non sia compilata e consegnata come previsto nei Termini dei Titoli o sia ritenuta incompleta o non avente una forma appropriata (secondo la determinazione dell'Agente Italiano per i Titoli), sarà ritenuta nulla.

Qualora la presente Notifica di Rinuncia sia successivamente corretta a soddisfacimento dell'Agente Italiano per i Titoli, la stessa sarà considerata come una nuova Notifica di Rinuncia presentata al momento della consegna di tale correzione all'Agente Italiano per i Titoli.

Le espressioni definite nei Termini dei Titoli avranno lo stesso significato alle stesse attribuito nella presente Notifica di Rinuncia.

Luogo e data:

Firma del Portatore

Firma dell'investitore nei Titoli

ALLEGATO

REGIME FISCALE ITALIANO

Le informazioni di seguito riportate riassumono la legislazione italiana e la prassi vigente in relazione al regime fiscale applicabile ai Titoli così come definiti nel Programma Warrant e Certificate. Le indicazioni di seguito riportate si basano sulle leggi vigenti in Italia alla data di redazione del presente Final Terms e sono soggette ad ogni variazione normativa intervenuta dopo tale data, variazione che potrebbe avere anche effetto retroattivo. Il seguente paragrafo non intende offrire un quadro completo ed esaustivo di tutti i profili fiscali che potrebbero rilevare al fine di valutare la sottoscrizione, l'acquisto, il possesso o la cessione dei Titoli. Non è altresì descritto il regime fiscale applicabile a tutte le possibili categorie di investitori, alcuni dei quali (come ad esempio gli intermediari istituzionali) potrebbero essere soggetti a regimi speciali.

I potenziali investitori sono invitati a rivolgersi ai propri consulenti fiscali per valutare accuratamente le conseguenze che possono derivare dalla sottoscrizione, dall'acquisto, dal possesso e dalla cessione dei Titoli.

Tassazione dei Titoli

I Warrants, i Certificates e gli altri strumenti derivati sono soggetti al regime fiscale previsto dall'art. 67 del D.P.R. 22 Dicembre 1986 n. 917 (TUIR), e del Decreto Legislativo 21 Novembre 1997 n. 461, se l'investitore è residente in Italia ed è (i) una persona fisica che non svolge un'attività d'impresa alla quale i Titoli siano connessi; (ii) una società di persone o un'associazione di cui all'art. 5 del TUIR, che non svolga attività commerciale (con l'esclusione delle società in nome collettivo, in accomandita semplice e di quelle ad esse equiparate); (iii) un ente privato o pubblico che non abbia per oggetto esclusivo o principale l'esercizio di attività commerciale; o (iv) un soggetto esente dall'imposta sul reddito delle persone giuridiche, le plusvalenze derivanti dal possesso e dalla negoziazione dei Titoli sono soggette ad un'imposta sostitutiva con aliquota pari al 20 per cento. Il percipiente può optare per i tre diversi criteri di applicazione dell'imposta sostitutiva di seguito elencati:

In base al cosiddetto "*regime della dichiarazione*" - che è il regime fiscale applicabile in via residuale ed in assenza di opzione per gli altri regimi impositivi, in capo alle persone fisiche residenti in Italia che non detengono i Titoli nell'ambito dell'attività di impresa - l'imposta sostitutiva è applicata, su base annuale, sull'importo complessivo delle plusvalenze, al netto delle eventuali minusvalenze, realizzate in relazione a tutte le vendite o i rimborsi dei Titoli effettuati nel corso di un determinato periodo di imposta. Tali investitori sono tenuti ad indicare le plusvalenze complessive - realizzate nel periodo di imposta, al netto delle relative minusvalenze - nella dichiarazione annuale dei redditi ed a versare la relativa imposta sostitutiva, unitamente alle altre imposte sui redditi dovute per il medesimo periodo d'imposta. Se, in relazione allo stesso periodo d'imposta, le minusvalenze sono superiori alle plusvalenze, l'eccedenza può essere riportata in deduzione dalle plusvalenze realizzate nei quattro periodi di imposta successivi. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

In alternativa al regime della dichiarazione, le persone fisiche residenti in Italia che detengono i Titoli non nell'ambito di un'attività d'impresa possono optare per l'applicazione dell'imposta sostitutiva sulle plusvalenze realizzate in occasione di ciascuna vendita o liquidazione dei Titoli, nell'ambito del cosiddetto "*regime del risparmio amministrato*" (di cui all'articolo 6 del Decreto Legislativo Nr. 461 del 21 Novembre 1997, come successivamente modificato di seguito: il "Decreto Nr. 461"). Questo regime è applicabile a condizione che: (i) i Titoli siano depositati presso banche italiane, SIM o altri intermediari finanziari autorizzati, e (ii) l'investitore abbia validamente esercitato, in forma scritta, l'opzione per accedere al regime del risparmio amministrato. Il depositario è responsabile per l'applicazione dell'imposta sostitutiva dovuta sulle plusvalenze realizzate a seguito di ciascuna cessione o liquidazione dei Titoli (ovvero in relazione alle plusvalenze realizzate in occasione di revoca del suo mandato), al netto delle eventuali minusvalenze, ed è tenuto a versare l'imposta sostitutiva all'Amministrazione finanziaria, per conto dell'investitore, prelevando il corrispondente ammontare dai redditi da accreditare all'investitore, oppure utilizzando fondi appositamente messi a disposizione dall'investitore stesso. Nel regime del risparmio amministrato, qualora dalla vendita o dalla liquidazione dei Titoli derivi una minusvalenza, tale minusvalenza può essere dedotta dalle plusvalenze della stessa natura, successivamente realizzate su titoli depositati presso il medesimo intermediario, nel corso dello stesso periodo di imposta oppure in quelli successivi, ma non oltre il quarto. In base al regime del

risparmio amministrato, l'investitore non è tenuto ad indicare le plusvalenze nella propria dichiarazione dei redditi annuale. Le minusvalenze realizzate prima del 1 gennaio 2012 possono essere utilizzate per compensare, alle medesime condizioni indicate, plusvalenze realizzate successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Le plusvalenze realizzate o maturate in capo a persone fisiche residenti in Italia che detengano i Titoli non nell'ambito dell'attività d'impresa e che abbiano affidato la gestione del loro patrimonio finanziario, compresi i Titoli, ad un intermediario autorizzato, optando per il cosiddetto "*regime del risparmio gestito*" (articolo 7 del Decreto Nr. 461), sono incluse nel calcolo del cosiddetto risultato maturato della gestione annuale. Sul risultato annuale di gestione è applicata un'imposta sostitutiva del 20 per cento, che deve essere prelevata dall'intermediario incaricato della gestione. Nel regime del risparmio gestito eventuali differenziali negativi nel risultato annuale della gestione possono essere dedotti dagli incrementi di valore registrati nei periodi successivi, non oltre il quarto. Ai fini del regime del risparmio gestito, l'investitore non è tenuto ad indicare i redditi derivanti dalla gestione patrimoniale nella propria dichiarazione dei redditi annuale. I risultati di gestione negativi maturati prima del 1 gennaio 2012 possono essere utilizzati per compensare, alle medesime condizioni indicate, risultati di gestione positivi maturati successivamente a tale data per un ammontare pari al 62,5 per cento del loro ammontare.

Quando l'investitore italiano è una società o un ente commerciale, o una stabile organizzazione in Italia di un soggetto non residente alla quale i Titoli siano connessi, le plusvalenze derivanti dai Titoli stessi non saranno soggette ad imposta sostitutiva, ma concorreranno a determinare il reddito imponibile dell'investitore stesso ai fini IRES (e, al verificarsi di determinate condizioni relative allo "status" dell'investitore, la base imponibile IRAP).

Le plusvalenze realizzate da un investitore che sia un fondo comune di investimento italiano aperto o chiuso (soggetto al regime fiscale previsto dalla Legge 23 marzo 1983, numero 77), ovvero una SICAV non saranno soggette ad imposta sostitutiva, ma saranno incluse nel risultato di gestione maturato alla fine del periodo d'imposta.

Le plusvalenze realizzate da un investitore che sia un fondo pensione italiano (soggetto al regime previsto dall'art. 17 del Decreto Legge 5 Dicembre 2005, n. 252) saranno incluse nel risultato di gestione maturato dal fondo alla fine del periodo di imposta e soggette ad un'imposta sostitutiva dell'11 per cento.

Le plusvalenze realizzate da soggetti non residenti derivanti dalla vendita o dalla liquidazione dei Titoli non sono soggette ad alcuna imposizione in Italia, a condizione che i Titoli stessi (i) siano negoziati in mercati regolamentati, o (ii) non siano detenuti in Italia.

Si applicano, al verificarsi delle relative condizioni e qualora più favorevoli all'investitore, le disposizioni dei trattati contro le doppie imposizioni stipulati dall'Italia.

Titoli atipici

I titoli che non si qualificano come strumenti derivati ai sensi dell'art. 67 del TUIR e, in conformità ad una differente interpretazione della vigente normativa fiscale, i Certificates potrebbero essere considerati come titoli "atipici" ai sensi e per gli effetti dell'Articolo 8 del Decreto Legge 30 settembre 1983, n. 512, convertito nella Legge 25 novembre 1983, n. 649 e conseguentemente assoggettati a ritenuta con aliquota del 20%.

La menzionata ritenuta non si applica ai pagamenti effettuati al possessore dei Titoli che non sia residente in Italia ed al possessore dei Titoli residente in Italia che sia (i) una società o altro ente commerciale (ivi compresa la stabile organizzazione in Italia di soggetti esteri); (ii) una società in nome collettivo, in accomandita semplice o ad esse assimilata; oppure (iii) un ente privato o pubblico che svolga una attività commerciale.

La ritenuta è applicata dai soggetti residenti incaricati dall'Emittente che intervengono nel pagamento dei proventi, nel riacquisto o nella negoziazione dei Titoli.

Imposte di successione e donazione

Ai sensi del Decreto Legge Nr. 262 del 3 ottobre 2006, (di seguito citato come il Decreto Nr. 262), convertito nella Legge Nr. 286 del 24 novembre 2006, il trasferimento di beni e diritti (incluse azioni, obbligazioni ed altri titoli) per effetto di successione o donazione è assoggettato ad imposta come segue:

- (i) il trasferimento a favore del coniuge e dei discendenti e ascendenti diretti è assoggettato ad imposta di successione o donazione nella misura del 4 per cento sul valore dei beni trasferiti per successione e donazione eccedente l'importo di EUR 1,000,000;
- (ii) il trasferimento a favore dei parenti entro il quarto grado ed affini in linea diretta nonché in favore degli affini in linea collaterale fino al terzo grado è assoggettato ad imposta di successione o donazione nella misura del 6 per cento del valore della donazione e della successione. Il trasferimento a favore di sorelle e fratelli sconta l'imposta di successione o donazione nella misura del 6 per cento sul valore complessivo netto eccedente, per ciascun beneficiario, EUR 100,000; e
- (iii) il trasferimento a favore di ogni altro beneficiario sconta l'imposta di donazione o successione nella misura dell'8 per cento.

Pagamenti effettuati da Garante non residente

In relazione ai pagamenti effettuati a favore di sottoscrittori residenti in Italia da parte di Garante non residente in Italia, conformemente ad un'interpretazione delle rilevanti disposizioni italiane, tali pagamenti potrebbero essere considerati quali pagamenti effettuati dall'Emittente e conseguentemente assoggettati al regime fiscale illustrato in precedenza.

Tassa sui contratti di Borsa

L'art. 37 del D.L. 31 Dicembre 2007 n. 248, ("**Decreto n. 248**") convertito nella Legge 28 Febbraio 2008, n. 31 pubblicata nella Gazzetta Ufficiale n. 51 del 29 Febbraio 2008, ha soppresso la tassa sui contratti di borsa prevista dal Regio Decreto 30 dicembre 1923 n. 3278, così come integrato e modificato dall'art. 1 del D. Lgs. 21 Novembre 1997 n. 435.

A seguito dell'abrogazione della tassa sui contratti di Borsa, a partire dal 31 Dicembre 2007, gli atti aventi ad oggetto la negoziazione di titoli scontano l'imposta di registro come segue: (i) gli atti pubblici e le scritture private autenticate scontano l'imposta di registro in misura fissa pari a Euro 168 (ii) le scritture private non autenticate scontano l'imposta di registro solo in "caso d'uso" o a seguito di registrazione volontaria.

Imposta di bollo

Ai sensi dell'art. 19, comma 1, del D. L. 6 dicembre 2001, n. 201 (Decreto 201), un'imposta di bollo proporzionale si applica, su base annuale, alle comunicazioni periodiche inviate dagli intermediari finanziari ai loro clienti relative ai titoli depositati presso di loro. L'imposta di bollo si applica con aliquota pari allo 0,1 per cento per l'anno 2012 e allo 0,15 per cento per gli anni successivi, su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli. L'imposta di bollo non può essere inferiore a € 34,20 e, per il solo anno 2012 non può superare € 1.200.

Secondo una preliminare interpretazione della disposizione normativa, può ritenersi che l'imposta di bollo trovi applicazione sia con riferimento agli Investitori residenti che non residenti a condizione che i relativi Titoli siano detenuti presso un Intermediario avente sede in Italia.

Imposta sui titoli depositati all'estero

Ai sensi dell'art. 19, comma 18, del Decreto 201, le persone fisiche residenti in Italia che detengono i Titoli al di fuori del territorio italiano sono tenuti a pagare un'imposta con aliquota pari allo 0,1 per cento per l'anno 2012 e dello 0,15 per cento per gli anni successivi sulle attività finanziarie detenute all'estero.

Quest'imposta è calcolata su di una base imponibile pari al valore di mercato o - qualora non disponibile - al valore nominale o di rimborso dei titoli detenuti all'estero. I contribuenti hanno diritto ad un credito d'imposta pari alle equivalenti imposte pagate all'estero nei limiti dell'imposta pagabile in Italia.

Attuazione in Italia della Direttiva sulla tassazione dei redditi da risparmio

L'Italia ha dato attuazione alla Direttiva del Consiglio 2003/48/EC con il Decreto Legislativo 18 aprile 2005, n. 84 (Decreto n. 84). Ai sensi del Decreto n. 84, gli agenti pagatori qualificati ai sensi della Direttiva e residenti in Italia non applicano alcuna ritenuta alla fonte sugli interessi corrisposti a persone fisiche residenti in un altro Stato Membro dell'Unione Europea. Tuttavia, i suddetti agenti pagatori sono incaricati di fornire specifiche informazioni, alle autorità fiscali italiane, in merito ai pagamenti effettuati nonché ai beneficiari effettivi degli stessi. Le autorità fiscali italiane, a loro volta, trasmetteranno le relative informazioni alle competenti autorità fiscali dello Stato Membro in cui risiede il beneficiario.

Disclaimer dell'Indice

Né l'Emittente né il Garante si assumono alcuna responsabilità per ogni azione od omissione compiuta da uno Sponsor dell'Indice in relazione al calcolo, a modifiche e alla manutenzione dell'Indice. A meno che non sia comunicato prima della Data di Emissione, né l'Emittente né il Garante o le società da questi controllate, o a questi collegate, sono collegate a o esercitano il controllo sull'Indice o sullo Sponsor dell'Indice o esercitano il controllo sul calcolo, la composizione o la diffusione di un Indice. Sebbene l'Agente per il Calcolo otterrà informazioni relative a un Indice da fonti disponibili al pubblico che lo stesso ritenga affidabili, questo non verificherà tali informazioni in via indipendente. Pertanto non è resa alcuna dichiarazione, garanzia o impegno (esplicito o implicito) e l'Emittente, il Garante, le società da questi controllate, o a questi collegate, o l'Agente per il Calcolo non accettano alcuna responsabilità con riferimento alla precisione, completezza e tempestività delle informazioni riguardanti un Indice.

Indice EURO STOXX50®

STOXX ed i suoi licenziatari (i "Licenziatari") non hanno alcun rapporto con BNP PARIBAS, oltre alla licenza dell'Indice EURO STOXX 50® e dei relativi marchi ai fini dell'uso in relazione ai *Certificates*.

STOXX ed i suoi Licenziatari non

- sponsorizzano, avallano, vendono o promuovono i *Certificates*.
- Raccomandano che alcun soggetto investa nei *Certificates* o in qualsiasi altro titolo.
- Hanno alcuna responsabilità per, o hanno preso alcuna decisione relativamente a, le tempistiche, l'ammontare o il prezzo dei *Certificates*.
- Hanno alcuna responsabilità per l'amministrazione, la gestione o la commercializzazione dei *Certificates*.
- Considerano le esigenze dei *Certificates* o dei portatori dei *Certificates* nella determinazione, composizione o calcolo dell'Indice EURO STOXX 50® né hanno alcun obbligo di farlo.

STOXX ed i suoi Licenziatari non avranno alcuna responsabilità relativamente ai *Certificates*. In particolare:

- STOXX ed i suoi Licenziatari non rilasciano alcuna garanzia, espressa o implicita, e negano qualsiasi garanzia per:
 - I risultati che possono essere ottenuti dai *Certificates*, i titolari dei *Certificates* o qualsiasi altra persona relativamente all'uso dell'Indice EURO STOXX 50® e i dati inclusi nell'Indice EURO STOXX 50®;
 - Accuratezza o completezza dell'Indice EURO STOXX 50® e dei suoi dati;
 - Commercialità e l'adeguatezza per un particolare scopo o uso dell'Indice EURO STOXX 50® e dei suoi dati;
- STOXX ed i suoi Licenziatari non avranno alcuna responsabilità per errori, omissioni o interruzioni nell'Indice EURO STOXX 50® o nei suoi dati. In nessun caso STOXX ed i suoi Licenziatari saranno responsabili per qualsiasi mancato profitto né per danni o perdite indiretti, punitivi, speciali o conseguenti, anche nel caso in cui STOXX o i suoi Licenziatari sappiano che sarebbe potuto succedere.

L'accordo di licenza tra BNP PARIBAS e STOXX è solamente a loro beneficio e non a beneficio dei titolari dei *Certificates* o di qualsiasi parte terza.

NOTICE TO THE HOLDERS

Up to 500,000 EUR "Athena Double Win Relax" Certificates relating to the EURO STOXX 50® Index due 8 August 2016

ISIN Code: NL0010220711

This Notice is dated 3 August 2012 and should be read in conjunction with the Final Terms dated 2 July 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 500,000 EUR "Athena Double Win Relax" Certificates relating to the EURO STOXX 50® Index due 8 August 2016**, referred to here above, the total number of Securities to be issued is **500,000 Securities (i.e. EUR 50,000,000)** at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 7 August 2012.

The Holders are informed that on page 9 of the Final Terms in § 40 (u) Cash Settlement Amount it should be noted that:

- **Index_{Initial}** is the official Closing Level of the Underlying Index on the Strike Date (i.e. **2,325.72**);
- **Barrier Level** is $60\% \times \text{Index}_{\text{Initial}}$ (i.e. **1,395.432**).

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the **SeDeX**) (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 32(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 32(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 24.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**AFB Agreement**" is as defined in Condition 32(b)(iv);

"**AFB Rate**" is as defined in Condition 32(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

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

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**AIs**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"Clearstream, Luxembourg" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Commodity OET Certificate" means a Commodity Security that is an OET Certificate;

"Commodity Securities" is as defined in Condition 2.1;

"Common Depositary" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Credit Securities" is as defined in Condition 2.1;

"Currency Event" is as defined in Condition 15.1;

"Currency OET Certificate" means a Currency Security that is an OET Certificate;

"Currency Securities" is as defined in Condition 2.1;

"Custodian" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Cut-off Date" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Day Count Fraction" is as defined in Condition 32(c);

"Debt Securities" is as defined in Condition 2.1;

"Definitive Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Delivery Date" is as defined in Condition 35.2(c);

"Designated Account" is as defined in Condition 35.1;

"Designated Bank" is as defined in Condition 35.1;

"Designated Maturity" is as defined in Condition 32(b)(iii);

"Determination Date(s)" is as defined in Condition 32(c);

"Determination Period" is as defined in Condition 32(c);

"Disqualified Transferee" is as defined in Condition 2.4(c);

"Disruption Cash Settlement Price" is as defined in Condition 5.1;

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

"Documents" is as defined in Condition 13.2(b);

"DTC" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

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

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 24.4;

"**Madrid Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 28;

"**Monte Titoli**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**National Currency Unit**" is as defined in Condition 17(b);

"**New York Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**New York time**" is as defined in Condition 24.4;

"**Notice Period**" is as defined in Conditions 34.3 and 34.4

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**OET Certificate**" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 28;

"**Open End Certificate**" is as defined in Condition 28;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Date**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 34.3 and 34.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Payment Date**" is as defined in Condition 35.1;

"**Permanent Global Warrant**" is as defined in Condition 21;

"**Physical Delivery Certificates**" is as defined in Condition 30;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"**Underlying Reference Level**" is as defined in Condition 34.9(b);

"**Underlying Share**" is as defined in Condition 2.1;

"**Units**" is as defined in Condition 22;

"**U.S. Certificates**" is as defined in Condition 29;

"**U.S. Securities**" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"**U.S. Warrants**" is as defined in Condition 21;

"**Valid Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Valuation Time**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Vietnamese QI**" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"**Warrants**" is as defined in paragraph 2 of these Terms and Conditions.

2. **TYPE, TITLE AND TRANSFER**

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

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

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

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

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

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

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

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

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

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

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an **"Extraordinary Event"**, the consequences of which are set forth in Share Security Condition 4.2:

"De-Listing" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Illiquidity" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"Listing Change" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

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

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

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

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

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

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

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

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

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

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

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

1. Definitions

"**Additional Extraordinary ETI Event**" means any event specified as such in the applicable Final Terms;

"**Basket Trigger Event**" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

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

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

"**Clearance System**" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

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

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

"**Dividend Event**" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

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

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

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

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

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

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

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

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

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

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

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

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

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

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The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

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

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

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

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

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

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

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

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.

AVVISO n.18052	22 Ottobre 2012	SeDeX - INV. CERTIFICATES

Mittente del comunicato : Borsa Italiana

Societa' oggetto : BNP PARIBAS ARBITRAGE ISSUANCE
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BNP PARIBAS ARBITRAGE
ISSUANCE'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	1 Bonus Plus Certificate su Azione UniCredit		
Emittente:	BNP PARIBAS ARBITRAGE ISSUANCE		
Garante:	BNP Paribas		
Rating Emittente:	Società di rating	Long term	Data report
	Moody's	Aa2	14/09/2011
	Standard & Poor's	AA-	14/10/2011
	Fitch	AA-	13/10/2011
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	23/10/2012		
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Intermonte SIM S.p.A. Member ID Specialist: IT3357		

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

1 Bonus Plus Certificate su Azione UniCredit

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 23/10/2012, gli strumenti finanziari "1 Bonus Plus Certificate su Azione UniCredit" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Strike	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Prima Barriera %	Secondo Strike	Livello Iniziale
1	NL0010108106	P08106	738414	BPAUCGCCPBON4,076B50%E111212	UNICREDIT	4,076	11/12/12	100	30000	1	24	50	2,038	4,076

FINAL TERMS DATED 15 MARCH 2012

BNP Paribas Arbitrage Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Guarantor)

Warrant and Certificate Programme

Up to 100,000 EUR "Bonus Plus" Certificates relating to Unicredit S.p.A. Shares due 27 December 2012

ISIN Code: NL0010108106

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

The Securities are offered to the public in the Republic of Italy from 15 March 2012 to 16 March 2012

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those jurisdictions mentioned in Paragraph 44 of Part A below, provided such person is one of the persons mentioned in Paragraph 44 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be, (the "**Publication Date**") have the right within two working days of the Publication Date to withdraw their acceptances.

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 7 June 2011, the First Supplement to the Base Prospectus dated 19 August 2011, the Second Supplement to the Base Prospectus dated 14 September 2011, the Third Supplement to the Base Prospectus dated 10 November 2011, the Fourth Supplement to the Base Prospectus dated 13 December 2011 and the Fifth Supplement to the Base Prospectus

dated 20 February 2012 which together constitute a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State)). The Base Prospectus dated 7 June 2011, the First Supplement to the Base Prospectus dated 19 August 2011, the Second Supplement to the Base Prospectus dated 14 September 2011, the Third Supplement to the Base Prospectus dated 10 November 2011, the Fourth Supplement to the Base Prospectus dated 13 December 2011 and the Fifth Supplement to the Base Prospectus dated 20 February 2012 have been passported into Italy in compliance with Article 18 of the Prospectus Directive. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on BNP Paribas Arbitrage Issuance B.V. (the "Issuer") and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and any Supplements to the Base Prospectus are available for viewing on the Netherlands Authority for the Financial Markets' (Autoriteit Financiële Markten - AFM) website www.afm.nl and copies of these documents and the Final Terms may be obtained free of charge at BNP Paribas Securities Services, Milan Branch, Via Ansperto 5, 20123 Milano, Italy.

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

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

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	No. of Securities issued	No. of Securities	ISIN Code	Common Code	Issue Price per Security	Redemption Date
CE4975TBR	Up to 100,000	Up to 100,000	NL0010108106	075779917	EUR 100	27 December 2012

The Redemption Date shall be subject to adjustment in accordance with the Following Business Day Convention.

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. **Issuer:** BNP Paribas Arbitrage Issuance B.V.
2. **Guarantor:** BNP Paribas.
3. **Trade Date:** 8 March 2012.
4. **Issue Date:** 21 March 2012
5. **Consolidation:** Not applicable.
6. **Type of Securities:**
 - (a) Certificates.
 - (b) The Securities are Share Securities.

The Certificates are "**Bonus Plus**" EUR Certificates.

Automatic Exercise applies on the Exercise Date.

The Exercise Date is 11 December 2012, or if such day is not a Business Day, the immediately subsequent Business Day.

The Exercise Date will be subject to the same adjustments provided for the Redemption Valuation Date. For the purposes of

Borsa Italiana, the Exercise Date shall be deemed to be also the maturity date, i.e. the date on which the Securities expire.

The provisions of Annex 2 (*Additional Terms and Conditions for Share Securities*) shall apply.

7.	Form of Securities:	Italian Dematerialised Securities.
8.	Business Day Centre(s):	The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 1 is TARGET2.
9.	Settlement:	Settlement will be by way of cash payment (Cash Settled Securities).
10.	Variation of Settlement:	
	(a) Issuer's option to vary settlement:	The Issuer does not have the option to vary settlement in respect of the Securities.
	(b) Variation of Settlement of Physical Delivery Securities:	Not applicable.
11.	Relevant Asset(s):	Not applicable.
12.	Entitlement:	Not applicable.
13.	Exchange Rate:	Not applicable.
14.	Settlement Currency:	The settlement currency for the payment of the Cash Settlement Amount is Euro ("EUR").
15.	Syndication:	The Securities will be distributed on a non-syndicated basis.
16.	Minimum Trading Size:	The minimum trading size will be established by the Italian Stock Exchange with the notice communicating the first day of trading.
17.	Principal Security Agent:	BNP Paribas Securities Services, Milan Branch.
18.	Registrar:	Not applicable.
19.	Calculation Agent:	BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France.
20.	Governing law:	English law.
21.	Special conditions or other modifications to the Terms and Conditions:	Minimum exercise number of Securities: The minimum number of Securities that may be exercised by the Holder is (1) one Security and in excess thereof by multiples of (1) one Security.

Trading Code of Borsa Italiana is P08106

Condition 6 (General)

The following shall be deemed to be added at the end of the first paragraph of Condition 6 (General):

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

Condition 7 (Illegality and Force Majeure):

The following shall be deemed to be deleted from Condition 7.1 (Illegality):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following shall be deemed to be deleted from Condition 7.2 (Force Majeure):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

Condition 13 - Substitution of the Issuer or the Guarantor

Condition 13 (2) shall be deemed to be deleted and replaced by the following:

"Where the Issuer is BNPP B.V., BNPP or any previous substituted company, in its capacity as guarantor, may not be substituted by any other company".

Condition 15 - Additional Disruption Events and Optional Additional Disruption Events

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (i):

"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)".

The following shall be deemed to be deleted from Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) (c) (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

The following sentence shall be deemed to be added at the end of Condition 15 (Additional Disruption Events and Optional Additional Disruption Events) (2) :

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

ANNEX 2 (Additional Terms and Conditions for Share Securities)

The following sentence shall be deemed to be added at the end of Paragraph (3) (Potential Adjustment Events) :

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

The following shall be deemed to be deleted from Paragraph (4)

(2), (d) (i) and (ii):

"less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements".

PRODUCT SPECIFIC PROVISIONS

22.	Index Securities:	Not applicable.
23.	Share Securities:	Applicable.
	(a) Share(s)/ Share Company/Basket Company/GDR/ADR:	An ordinary share in the share capital of Unicredit S.p.A. (the " Share Company "), (ISIN Code: IT0004781412/ Reuters Code: CRDI.MI / Bloomberg Code: UCG IM <Equity>) (the " Underlying Share ").
		For the purposes of the Conditions, the Underlying Share shall be deemed to be the Share.
	(b) Relative Performance Basket:	Not applicable.
	(c) Share Currency:	EUR.
	(d) Exchange(s):	Italian Stock Exchange.
	(e) Related Exchange(s):	All Exchanges.
	(f) Exchange Business Day:	Single Share Basis.
	(g) Scheduled Trading Day:	Single Share Basis.
	(h) Weighting:	Not applicable.
	(i) Settlement Price:	The Settlement Price will be calculated on the basis of the Reference Price of the Underlying Share, as determined and published by the Exchange.
	(j) Disrupted Day:	If the Redemption Valuation Date is a Disrupted Day, the Settlement Price will be calculated on the basis of the provisions contained in Share Security Condition 1.
	(k) Specified Maximum Days of Disruption:	Three (3) Scheduled Trading Days.
	(l) Valuation Time:	The Valuation Time will be the time when the Reference Price of the Underlying Share is determined by the Exchange.
	(m) Delayed Redemption on Occurrence of an Extraordinary Event:	Not applicable.
	(n) Share Correction Period:	As per Conditions.
	(o) Dividend Payment:	Not applicable.
	(p) Listing Change:	Not applicable.

	(q) Listing Suspension:	Not applicable.
	(r) Illiquidity:	Not applicable.
	(s) Tender Offer:	Applicable.
	(t) Other terms or special conditions:	Not applicable.
24.	ETI Securities:	Not applicable.
25.	Debt Securities:	Not applicable.
26.	Commodity Securities:	Not applicable.
27.	Inflation Index Securities:	Not applicable.
28.	Currency Securities:	Not applicable.
29.	Fund Securities:	Not applicable.
30.	Market Access Securities:	Not applicable.
31.	Futures Securities:	Not applicable.
32.	Credit Securities:	Not applicable.
33.	Preference Share Certificates:	Not applicable.
34.	OET Certificates:	Not applicable.
35.	Additional Disruption Events:	Applicable.
		Hedging Disruption does not apply to the Securities.
36.	Optional Additional Disruption Events:	(a) The following Optional Additional Disruption Events apply to the Securities: Insolvency Filing (b) Delayed Redemption on Occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event: Not applicable.
37.	Knock-in Event:	Not applicable.
38.	Knock-out Event:	Not applicable.

PROVISIONS RELATING TO WARRANTS

39.	Provisions relating to Warrants:	Not applicable.

PROVISIONS RELATING TO CERTIFICATES

40.	Provisions relating to Certificates:	Applicable.
(a)	Notional Amount of each Certificate:	EUR 100.

(b)	Partly Paid Certificates:	The Certificates are not Partly Paid Certificates.
(c)	Interest:	Not applicable.
(d)	Fixed Rate Provisions:	Not applicable.
(e)	Floating Rate Provisions	Not applicable.
(f)	Linked Interest Certificates:	Not applicable.
(g)	Payment of Premium Amount(s):	Applicable.
	(i) Premium Amount (s):	EUR 7.25 per Certificate.
	(ii) Linked Premium Amount Certificates:	Not applicable.
	(iii) Premium Amount Payment Date(s):	27 December 2012; provided that if the Premium Amount Payment Date would otherwise fall on a day which is not a Business Day, the Premium Amount Payment Date shall be postponed to the next day which is a Business Day
	(iv) Premium Amount Record Date(s):	18 December 2012; provided that if the Premium Amount Record Date would otherwise fall on a day which is not a Business Day, the Premium Amount Record Date shall be postponed to the next day which is a Business Day.
(h)	Index Linked Interest Certificates:	Not applicable.
(i)	Share Linked Interest Certificates:	Not applicable.
(j)	ETI Linked Interest Certificates:	Not applicable.
(k)	Debt Linked Interest Certificates:	Not applicable.
(l)	Commodity Linked Interest Certificates:	Not applicable.
(m)	Inflation Index Linked Interest Certificates:	Not applicable.
(n)	Currency Linked Interest Certificates:	Not applicable.
(o)	Fund Linked Interest Certificates:	Not applicable.
(p)	Futures Linked Interest Certificates:	Not applicable.
(q)	Instalment Certificates:	The Certificates are not Instalment Certificates.
(r)	Issuer Call Option:	Not applicable.
(s)	Holder Put Option:	Not applicable.
(t)	Automatic Early Redemption Event:	Not applicable.
(u)	Cash Settlement Amount:	Unless previously redeemed or purchased and cancelled by the Issuer, each Certificate will be exercised automatically on the Exercise Date and the Holder will receive payment of a Cash Settlement Amount in accordance with the following provisions:

1) If, on the Redemption Valuation Date, **Share_{Final}** is greater than or equal to the **Barrier Level**:

$$N \times [100\%]$$

2) Otherwise:

$$N \times \left(\frac{\text{Share}_{\text{Final}}}{\text{Share}_{\text{Initial}}} \right)$$

Where:

N is the Notional Amount of each Certificate as specified in § 40 (a);

Share_{Initial} is the closing auction price in Borsa Italiana of the Underlying Share on the Strike Date (i.e. **EUR 4.076**)

Share_{Final} is the Reference Price of the Underlying Share on the Redemption Valuation Date;

Barrier Level is 50% x **Share_{Initial}** (i.e. **EUR 2.038**)

Reference Price of the Share is the "*Prezzo di Riferimento*" as defined by Borsa Italiana.

Pursuant the Rules of the markets organised and managed by Borsa Italiana S.p.A., each Holder may notify the Issuer that it renounces its right to payment of any such Cash Settlement Amount, by delivery to the Agent not later than the Renouncement Notice Cut-off Time (as defined in §40(v)) of a notice (the "**Renouncement Notice**", substantially in the form of Part B in these Final terms).

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

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time (as defined in § 40(v)), the Cash Settlement Amount shall be paid automatically by the Issuer on the Redemption Date.

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

(v)	Renouncement Notice Cut-off Time	10.00 a.m. (Milan Time) on the Exercise Date.
(w)	Strike Date:	8 March 2012.
(x)	Redemption Valuation Date:	The Scheduled Trading Day immediately preceding the Exercise Date.

(y)	Averaging:	Averaging does not apply to the Certificates.
(z)	Observation Dates:	Not applicable.
(aa)	Observation Period:	Not applicable.
(bb).	Settlement Business Day:	Not applicable.
(cc)	Cut-off Date:	Not applicable.

DISTRIBUTION AND US SALES ELIGIBILITY

41.	Selling Restrictions:	As described in the Base Prospectus.
	(a) Eligibility for sale of Securities in the United States to AIs:	The Securities are not eligible for sale in the United States to AIs.
	(b) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A:	The Securities are not eligible for sale in the United States under Rule 144A to QIBs.
	(c) Eligibility for sale of Securities in the United States to QIBs within the meaning of Rule 144A who are also QPs within the meaning of the Investment Company Act:	The Securities are not eligible for sale in the United States to persons who are QIBs and QPs.
42.	Additional U.S. Federal income tax consequences:	Not applicable.
43.	Registered broker/dealer:	Not applicable.
44.	Non exempt Offer:	An offer of the Securities will be made through Banca Nazionale del Lavoro S.p.A. (the " Distributor ", and, together with any other entity appointed for the placement of the Securities during the Offer Period, the " Distributors ") other than pursuant to Article 3(2) of the Prospectus Directive in the Republic of Italy (the " Public Offer Jurisdiction ") during the period from 15 March 2012 until 16 March 2012 during the hours in which the banks are open for business in the Republic of Italy (the " Offer Period ").

See further Paragraph 8 of Part B below

PROVISIONS RELATING TO COLLATERAL AND SECURITY

45.	Collateral Security Conditions:	Not applicable.

Purposes of Final Terms

These Final Terms comprise the final terms required for issue, public offering in the Public Offer Jurisdiction and admission to trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**") of the Italian Stock Exchange of the Securities described herein pursuant to the BNP Paribas, BNP Paribas Arbitrage Issuance B.V. Warrant and Certificate Programme.

Responsibility

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

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

As Issuer:



Arnaud DELACROIX

By: Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to trading:

Application will be made to list the Securities on the Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitised Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

2. Ratings

The Securities to be issued have not been rated.

The rating of the Guarantor is Aa3 from Moody's and AA- from Standard and Poor's.

As defined by Moody's, an "Aa" rating means that the obligations of the Issuer and the Guarantor under the Programme are of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 3 indicates a ranking in the lower end of that generic rating category.

As defined by Standard & Poor's, an obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The relevant Issuer and Guarantor's capacity to meet its financial commitment on the obligation is very strong. The addition of a plus (+) or minus (-) sign shows relative standing within the major rating category.

3. Risk Factors

As stated in the Base Prospectus.

4. Interests of Natural and Legal Persons Involved in the Offer

Investors shall be aware of the fact that the Distributor appointed for the placement of the Securities under these Final Terms, **Banca Nazionale del Lavoro S.p.A.**, belongs to the same Group as the Issuer, the BNP Paribas Group. In this respect, investors shall also be informed of the fact that the Distributor will receive from the Issuer placement fees implicit in the Issue Price of the Securities equal to a maximum annual amount of 1.40% of the Issue Amount. All placement fees will be paid out upfront.

Save as described above and discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer:

The net proceeds from the issue of Securities will become part of the general funds of the Issuer. Such proceeds may be used to maintain positions in options or futures contracts or other hedging instruments.

Estimated net proceeds:

Up to EUR 10,000,000

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They are not a reflection of the fees payable to the Distributor.

Estimated total expenses:

EUR 3,000 corresponding to the minimum listing fees known to the Issuer as at the Issue Date.

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

The “**Bonus Plus**” Security is a EUR denominated Security with a 9 month maturity that pays the Premium Amount on the Premium Amount Payment Date, as described in § 40 (g).

This Security offers to the investor the opportunity to receive a Cash Settlement Amount calculated according to the provisions in § 40 (u).

The Securities are not capital protected. The investors benefit from a capital protection if the Reference Price of the Underlying Share is greater than or equal to the the Barrier Level on the Redemption Valuation Date.

Therefore, investors should be aware that they may sustain a partial or total loss of the purchase price of their Securities.

During the secondary market period, the price of the Securities will depend upon market conditions and may be subject to significant fluctuations. If the Securities are sold, before the Redemption Date, there is a higher probability that the investor will suffer a loss of its investment.

Details of historic performance of the Underlying Share can be obtained from Reuters.

Name of the issuer of the underlying security: **UniCredit**

UniCredit attracts deposits and offers commercial banking services. The Bank offers consumer credit, mortgages, life insurance, business loan, investment banking, asset management, and other services. UniCredit operates worldwide.

Address:

Piazza Cordusio

20123 Milan

Italy

Website: www.unicreditgroup.eu

ISIN Code of the underlying: See Part A § 23 (a).

Source of information relating to the Underlying Past and future performances and volatility of the Shares are also notably available on Bloomberg page set out in Part A §23(a) and on the website of the Exchange where the share is listed.

Post-Issuance information The Issuer does not intend to provide post-issuance information.

7. Operational Information

Relevant Clearing System(s): Monte Titoli.

8. Terms and Conditions of the Public Offer

Offer Period: From 15 March 2012 to 16 March 2012.
 Offer Price: The Issue Price (of which a maximum annual amount of 1.40% is represented by commissions payable to the Distributor).
 Conditions to which the offer is subject: The Offer of the Securities is conditional on their issue.

The Issuer reserves the right to withdraw the offer and cancel the issuance of the Securities for any reason, in accordance with the Distributor(s) at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Securities.

Description of the application process: From 15 March 2012 to, and including, 16 March 2012, or such earlier date as the Issuer determines as notified on or around such earlier date by loading the following link <http://www.prodottidiborsa.com> (the **Offer End Date**).

Application to subscribe for the Securities can be made in Italy through the Distributor. The distribution activity will be carried out in accordance with the Distributor's usual procedures.

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.

Details of the minimum and/or maximum amount of application: Minimum subscription amount per investor: EUR 100.

Maximum subscription amount per investor: 100,000 *
 Notional Amount.

The maximum amount of application of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributor will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Securities requested through

the Distributor during the Offer Period will be assigned up to the maximum amount of the Offer.

In the event that during the Offer Period the requests exceed the total amount of the offer destined to prospective investors the Issuer, in accordance with the Distributor(s), will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

Details of the method and time limits for paying up and delivering the Securities:

The Securities will be issued on the Issue Date against payment to the Issuer by the Distributor of the gross subscription moneys.

The Securities are cleared through the clearing systems and are due to be delivered through the Distributors on or around the Issue Date.

Manner in and date on which results of the offer are to be made public:

Publication by loading the following link (<http://www.prodottidiborsa.com>) in each case on or around the Issue Date.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable.

Categories of potential investors to which the Securities are offered:	Offers will be made through the Distributor in the Republic of Italy to any person. Qualified investors may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in the Republic of Italy during the Offer Period. Offers (if any) in other EEA countries will only be made by the Distributor pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Securities from its financial advisor, bank or financial intermediary. Each investor will be notified by the Distributors of its allocation of Securities after the end of the Offer Period.
Amount of any expenses and taxes specifically charges to the subscriber or purchaser:	No dealings in the Securities may take place prior to the Issue Date. The Issuer is not aware of any expenses and taxes specifically charged to the subscriber. For the Offer Price which includes the commissions payable to the Distributors see above "Offer Price". For details of the tax regime applicable to subscribers in the Republic of Italy, see Schedule hereto.

9. Placing and Underwriting

Name(s) and address(es), to the extent known to the issuer, of the places in the various countries where the offer takes place:	Not applicable.
Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:	Not applicable.
Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent):	BNP Paribas Securities Services, Milan Branch Via Ansperto 5, 20123 Milano, Italy.
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:	The placement activity will be carried out by: Banca Nazionale del Lavoro S.p.A. Via V. Veneto, 119 00187 Rome, Italy. (the Distributor)

The Issuer reserves the right to appoint other distributors during the offering period, which will be communicated to investors by means of a notice published on the website <http://www.prodottidiborsa.com>

(together with the Distributor, the **Distributors**).

No underwriting commitment is undertaken by the Distributor.

When the underwriting agreement has been or will be reached:

Not applicable.

10. Yield

Not applicable.

11. Historic Interest Rates

Not applicable.

12. Renouncement Notice

RENOUNCEMENT NOTICE
(to be completed by the Holder of the Security)

BNP Paribas Arbitrage Issuance B.V.

Up to 100,000 EUR "Bonus Plus" Certificates relating to Unicredit S.p.A. Shares due 27 December 2012

ISIN Code: NL0010108106

(the **Securities**)

To: BNP Paribas Securities Services, Milan Branch

Via Ansperto 5, 20123 Milano, Italy
Fax No: (39) 02 72474 444

We/I the undersigned Holder(s) of the Securities:

hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities, as amended and/or supplemented by the applicable Final Terms (the **Security Terms**).

Series No. of the Securities:

Number of Securities the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Security Terms or is determined to be incomplete or not in proper form (in the determination of the Italian Security Agent), it will be treated as null and void.

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

Expressions defined in the Security Terms shall bear the same meanings in this Renouncement Notice.

Place and date:

Signature of the Holder:

Name of beneficial owner of the Securities:

Signature:

SCHEDULE

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to the taxation of the Securities, as defined in the Warrant and Certificate Programme. The statements herein regarding taxation are based on the laws in force in Italy as at the date of the 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 Securities 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.

Prospective investors are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Italian taxation of Securities

Warrants, Certificates and other securitised derivatives are subject to Article 67 of Presidential Decree No. 917 of 22 December 1986 (the "**TUIR**") and Legislative Decree No. 461 of 21 November 1997 (the "**Decree No. 461**"), as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised under the sale or the exercise of the Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided for by article 7 of Decree No. 461) 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 20 per cent. substitute tax substitutive 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 Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the management assets accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the status of the Securityholder, also as a part of the net value of production for Italian regional tax on productive activities (IRAP) purposes.

Any capital gains realised by a investor which is an open-ended or close-ended investment fund (subject to the tax regime provided by Law No. 77 of 23 March 1983, the "**Fund**") or a SICAV will be included in the result of the relevant portfolio accrued and will not be subject neither to substitutive tax nor to any other income tax in the hands of the Fund or the SICAV.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. *ad hoc* substitute tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all the relevant conditions are met.

Atypical securities

Securities that cannot be qualified as securitised derivatives under Article 67 of TUIR and, under a different interpretation of current tax law, Certificates could be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 20 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of the Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

The withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Securities.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Securityholders by a non-Italian resident Guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident Guarantor could be treated, in

certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, ("**Decree No. 262**"), converted into Law No. 286 of 24 November, 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;

transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

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 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

NOTICE TO THE HOLDERS

Up to 100,000 EUR "Bonus Plus" Certificates relating to Unicredit S.p.A. Shares due 27 December 2012

ISIN Code: NL0010108106

This Notice is dated 20 March 2012 and should be read in conjunction with the Final Terms dated 15 March 2012 in respect of the Securities. Any information not updated or amended herein should be regarded as unchanged.

Further to the public offer in Italy by BNP Paribas Arbitrage Issuance B.V. (the Issuer) of **Up to 100,000 EUR "Bonus Plus" Certificates relating to Unicredit S.p.A. Shares due 27 December 2012**, referred to here above, the total number of Securities to be issued is **30,000 Securities (i.e. EUR 3,000,000)** at an issue price of **EUR 100** per Security. The Issue Date of the Securities is 21 March 2012.

Copies of such Notice may be downloaded on the following website:

<http://www.prodottidiborsa.com>

Application will be made as soon as possible to list the Securities on the Italian Stock Exchange and to admit the Securities for trading described herein on the electronic "*Securitised Derivatives Market*" (the "**SeDeX**") (a regulated market for the purposes of the Markets in financial instruments Directive 2004/39/CE, the "**Regulated Market**") organised and managed by Borsa Italiana S.p.A.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 in the case of Index Securities, the additional terms and conditions contained in Annex 2 in the case of Share Securities, the additional terms and conditions contained in Annex 3 in the case of ETI Securities, the additional terms and conditions contained in Annex 4 in the case of Debt Securities, the additional terms and conditions contained in Annex 5 in the case of Commodity Securities, the additional terms and conditions contained in Annex 6 in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 7 in the case of Currency Securities, the additional terms and conditions contained in Annex 8 in the case of Fund Securities, the additional terms and conditions contained in Annex 9 in the case of Market Access Securities, the additional terms and conditions contained in Annex 10 in the case of Futures Securities, the additional terms and conditions contained in Annex 11 in the case of Credit Securities, the additional terms and conditions contained in Annex 12 in the case of Secured Securities, the additional terms and conditions contained in Annex 13 in the case of Preference Share Certificates, the additional terms and conditions contained in Annex 14 in the case of OET Certificates or any other Annex (each, an "Annex" and, together the "Annexes") which may be added from time to time, in the case of any other security linked to any other underlying reference (the "Terms and Conditions") which, in the case of English Law Securities (as defined in Condition 1 below), will be incorporated by reference into each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security (each as defined below), or in the case of Italian Dematerialised Securities (as defined below) will apply to such Securities. The applicable Final Terms in relation to any issue of Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Securities. In the case of English Law Securities (other than Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Clearing System Global Security, Private Placement Definitive Security or Registered Global Security, as the case may be. In the case of Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities and Swiss Dematerialised Securities, the applicable Final Terms in respect of such Securities will be available at the specified office of the relevant Issuer and at the office of the Swedish Security Agent, Finnish Security Agent, Italian Security Agent or Swiss Security Agent, as applicable, in each case specified in the applicable Final Terms. The provisions in respect of Registered Securities and U.S. Securities (each as defined below) relate to English Law Securities only.

The series of Securities described in the applicable Final Terms (in so far as it relates to such series of Securities) (such Securities being hereinafter referred to as the "**Securities**") are issued by whichever of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**") or BNP Paribas ("**BNPP**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. Securities will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "Security", "Securities", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

The Securities are issued pursuant to an Agency Agreement dated 1 June 2012 (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 S.C.A. in Amsterdam as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Amsterdam Security Agent**"), BNP Paribas Securities Services, Branch in Spain as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Madrid Security Agent**"), BNP Paribas Securities Services, Luxembourg Branch as agent (if specified in the applicable Final Terms as

Agent in respect of the Securities, the "**Principal Security Agent**"), BNP Paribas Securities Services S.C.A. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**French Security Agent**"), BNP Paribas Arbitrage S.N.C. as agent (if specified in the applicable Final Terms as Agent in respect of the Securities, the "**Principal Security Agent**"), The Bank of New York Mellon as New York security agent (the "**New York Security Agent**"), The Bank of New York Mellon as definitive security agent (the "**Definitive Security Agent**"), BNP Paribas Securities Services, Milan Branch as Italian security agent (the "**Italian Security Agent**") (each a "**Security Agent**" and collectively, the "**Security Agents**"), BNP Paribas Securities Services, Luxembourg Branch, BNP Paribas Securities Services S.C.A., Frankfurt Branch, BNP Paribas Securities Services, Succursale de Zurich, and BNP Paribas Securities (Japan) Limited as registrar (if specified in the applicable Final Terms as Registrar in respect of the Registered Securities, the "**Registrar**"), as supplemented in the case of Swedish Dematerialised Securities by an issuing and paying agency agreement dated 4 January 2010 (as amended and/or supplemented from time to time, the "**Swedish Agency Agreement**") between BNPP B.V. and Svenska Handelsbanken AB (publ) as Euroclear Sweden security agent (the "**Swedish Security Agent**") and as supplemented in the case of Finnish Dematerialised Securities by an issuing and paying agency agreement to be executed (and which may be amended and/or supplemented from time to time, the "**Finnish Agency Agreement**") between BNPP B.V., BNPP and the Euroclear Finland security agent specified in the applicable Final Terms, which shall be such account operator specifically authorised by Euroclear Finland and appointed by the relevant Issuer as an issuing and paying agent (the "**Finnish Security Agent**"). The expression "Security Agent" shall include (i) in respect of Swedish Dematerialised Securities, the Swedish Security Agent and (ii) in respect of Finnish Dematerialised Securities, the Finnish Security Agent, and shall include any additional or successor security agent(s) in respect of the Securities.

BNP Paribas or BNP Paribas Arbitrage S.N.C. (as specified in the applicable Final Terms) shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Securities as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression "Calculation Agent" shall, in relation to the relevant Securities, include such other specified calculation agent.

The Agency Agreement will be governed by English Law in the case of English Law Securities (the "**English Law Agency Agreement**") and by French Law in the case of French Law Securities (the "**French Law Agency Agreement**"). The Swedish Agency Agreement will be governed by Swedish Law.

The applicable Final Terms for the Securities supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Securities. Except in the case of French Law Securities, Swedish Dematerialised Securities, Finnish Dematerialised Securities, Italian Dematerialised Securities or Swiss Dematerialised Securities, the applicable Final Terms for the Securities will be attached to each Global Security, each Private Placement Definitive Security and any Registered Certificates in definitive form.

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 Securities issued pursuant to Condition 12 and forming a single series with the Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of Securities) insofar as they relate to the Securities.

Subject as provided in Condition 4 and in the relevant Guarantee (as defined in Condition 1), where the Issuer is BNPP B.V., the obligations of BNPP B.V. with respect to physical delivery (if applicable) and/or the payment of amounts payable by BNPP B.V. are guaranteed by BNPP pursuant to the Guarantee. The original of each Guarantee is held by BNP Paribas Securities Services, Luxembourg Branch on behalf of the Holders at its specified office.

Copies of the Agency Agreement, the Guarantees and the applicable Final Terms may be obtained from the specified office of the relevant Security Agent and the Registrar (in the case of Registered Securities), save that if the Securities are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the relevant Security Agent as to identity. Copies of the Swedish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Swedish Security Agent specified in the applicable Final Terms. Copies of the Finnish Agency Agreement and the English Law Guarantee will be available for inspection at the office of the Finnish Security Agent specified in the applicable Final Terms.

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

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

1. DEFINITIONS

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

"**Account Holder**" is as defined in Condition 2.2;

"**Accrual Period**" is as defined in Condition 32(c);

"**Actual/Actual (ICMA)**" is as defined in Condition 32(c);

"**Actual Exercise Date**" is as defined in Condition 20 and Condition 24.1(a);

"**Additional Disruption Event**" is as defined in Condition 15.1;

"**Adjustment Date**" is as defined in Condition 17(b);

"**AFB Agreement**" is as defined in Condition 32(b)(iv);

"**AFB Rate**" is as defined in Condition 32(b);

"**Affected Item**" is as defined in this Condition 1 under the definition of Strike Date and in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Affected Relevant Assets**" is as defined in Condition 15.1;

"**Affected Share**" is as defined in Condition 15.2(e);

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

"**Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**AIs**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**Alternate Cash Amount**" is as defined in Condition 5.4;

"**American Style Warrants**" is as defined in Condition 22;

"**Amsterdam Business Day**" is as defined in Condition 32(b)(viii);

"**Amsterdam Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Annex**" is as defined in paragraph 1 of these Terms and Conditions;

"**Asset Transfer Notice**" is as defined in Condition 35.2(a);

"**Automatic Early Redemption Amount**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Event**" is as defined in Condition 34.9(a) and 34.9(b);

"**Automatic Early Redemption Date**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Level**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Rate**" is as defined in Condition 34.9(b);

"**Automatic Early Redemption Valuation Date**" is as defined in Condition 34.9(b);

"**Automatic Exercise**" is as defined in Condition 22;

"**Averaging**" is as defined in Condition 22 (in the case of Warrants) and Condition 30 (in the case of Certificates);

"**Averaging Date**" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"**Basket Company**" is as defined in Condition 15.2(e);

"**Basket Price**" is as defined in Condition 34.9(b);

"**Basket of Underlying References**" is as defined in Condition 34.9(b);

"**BNPP**" is as defined in paragraph 2 of these Terms and Conditions;

"**BNPP B.V.**" is as defined in paragraph 2 of these Terms and Conditions;

"**Business Day**" means a 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 (TARGET2) System is open (a "**TARGET2 Settlement Day**") and (a) where the Securities are Clearing System Securities, Registered Certificates or Italian Dematerialised Securities, a day on which the relevant Clearing System is open for business, (b) where the Securities are Private Placement Definitive Securities, 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, (c) where the Securities are Registered Warrants, 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 Tokyo, (d) where the Securities are Swedish Dematerialised Securities, 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 Stockholm or (e) where the Securities are Finnish Dematerialised Securities, 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 Helsinki and on which Euroclear Finland and the relevant system in which the Finnish Dematerialised Securities are registered are open for business in accordance with the rules of Euroclear Finland;

"Calculated Additional Disruption Amount" is as defined in Condition 15.2(c)(ii);

"Calculated Additional Disruption Amount Determination Date" is as defined in Condition 15.2(c)(ii);

"Calculation Agent" is as defined in paragraph 4 of these Terms and Conditions and Condition 32(b);

"Call Warrants" is as defined in Condition 22;

"Cancellation Event" is as defined in Condition 15.1;

"Cash Settled Certificates" is as defined in Condition 30;

"Cash Settled Securities" means (a) in the case of an issue of Warrants, Cash Settled Warrants and (b) in the case of an issue of Certificates, Cash Settled Certificates;

"Cash Settled Warrants" is as defined in Condition 22;

"Cash Settlement Amount" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Certificates" is as defined in paragraph 2 of these Terms and Conditions;

"Change in Law" is as defined in Condition 15.1;

"Chinese QFII" means an entity outside the People's Republic of China which meets the requirements of the Measures and is approved by the China Securities Regulatory Commission to invest in Chinese securities markets and has obtained the quota from the State Administration of Foreign Exchange (**"Qualified Foreign Institutional Investors"**) where **"Measures"** means the Measures on the Administration of Qualified Foreign Institutional Investors Investing in Domestic Securities;

"Clearing System" means Clearstream, Luxembourg and/or Euroclear and/or Euroclear France and/or Euroclear Netherlands and/or Euroclear Sweden and/or Euroclear Finland and/or DTC and/or Iberclear and/or Monte Titoli and/or any additional or alternative clearing system approved by the Issuer and the relevant Security Agent(s) from time to time and specified in the applicable Final Terms;

"Clearing System Certificates" is as defined in Condition 29;

"Clearing System Global Certificate" is as defined in Condition 29;

"Clearing System Global Security" means (a) in the case of an issue of Warrants, the Clearing System Global Warrant representing such Warrants and (b) in the case of an issue of Certificates, the Clearing System Global Certificate representing such Certificates;

"Clearing System Global Warrant" is as defined in Condition 21;

"Clearing System Securities" means (a) in the case of an issue of Warrants, Clearing System Warrants and (b) in the case of an issue of Certificates, Clearing System Certificates;

"Clearing System Warrants" is as defined in Condition 21;

"Clearstream, Luxembourg" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Commodity OET Certificate" means a Commodity Security that is an OET Certificate;

"Commodity Securities" is as defined in Condition 2.1;

"Common Depositary" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Credit Securities" is as defined in Condition 2.1;

"Currency Event" is as defined in Condition 15.1;

"Currency OET Certificate" means a Currency Security that is an OET Certificate;

"Currency Securities" is as defined in Condition 2.1;

"Custodian" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Cut-off Date" is as defined in Condition 25.9(c) (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Day Count Fraction" is as defined in Condition 32(c);

"Debt Securities" is as defined in Condition 2.1;

"Definitive Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Delivery Date" is as defined in Condition 35.2(c);

"Designated Account" is as defined in Condition 35.1;

"Designated Bank" is as defined in Condition 35.1;

"Designated Maturity" is as defined in Condition 32(b)(iii);

"Determination Date(s)" is as defined in Condition 32(c);

"Determination Period" is as defined in Condition 32(c);

"Disqualified Transferee" is as defined in Condition 2.4(c);

"Disruption Cash Settlement Price" is as defined in Condition 5.1;

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

"Documents" is as defined in Condition 13.2(b);

"DTC" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"due exercise" is as defined in Condition 24.4;

"English Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"English Law Certificates" is as defined in Condition 28;

"English Law Guarantee" means a deed of guarantee dated 1 June 2012 executed by BNPP in respect of English Law Securities issued by BNPP B.V.;

"English Law Securities" means (a) in the case of an issue of Warrants, English Law Warrants and (b) in the case of an issue of Certificates, English Law Certificates;

"English Law Warrants" is as defined in Condition 20;

"Entitlement" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Established Rate" is as defined in Condition 17(b);

"ETI OET Certificate" means an ETI Security that is an OET Certificate;

"ETI Securities" is as defined in Condition 2.1;

"EURIBOR" is as defined in Condition 32(b)(iii)(C);

"euro" is as defined in Condition 17(b);

"Euroclear" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Euroclear Finland" means Euroclear Finland Ltd. (the Finnish Central Securities Depository);

"Euroclear Finland Register" means the register opened in the Euroclear Finland System for Finnish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Finland System" means the technical system at Euroclear Finland for the registration of securities and the clearing and settlement of securities transactions;

"Euroclear France Certificates" is as defined in Condition 35.1;

"Euroclear France Securities" is as defined in Condition 2.2;

"Euroclear France Warrants" is as defined in Condition 24.1;

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

"Euroclear Netherlands Certificates" is as defined in Condition 35.1;

"Euroclear Netherlands Securities" is as defined in Condition 2.2;

"Euroclear Netherlands Warrants" is as defined in Condition 24.1;

"Euroclear Sweden" means Euroclear Sweden AB (the Swedish Central Securities Depository authorised as such under the SFIA Act);

"Euroclear Sweden Register" means the register opened in the Euroclear Sweden System for Swedish Dematerialised Securities issued or to be issued by the Issuer;

"Euroclear Sweden System" means the technical system at Euroclear Sweden for the registration of securities and the clearing and settlement of securities transactions;

"Euronext Amsterdam" is as defined in Condition 34.3;

"European Style Warrants" is as defined in Condition 22;

"EuroTLX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Exchange Event" is as defined in Condition 29;

"Exercisable Certificates" is as defined in Condition 34.7;

"exercise" is as defined in Condition 24.4;

"Exercise Business Day" is as defined in Condition 20;

"Exercise Notice" is as defined in Condition 24.1(a), Condition 25.1, Condition 25.2 and Condition 25.3;

"Exercise Notice Delivery Date" is as defined in Condition 25.9(c);

"Exercise Price" is as specified in the applicable Final Terms;

"Expenses" is as defined in Condition 11.2;

"Expiration Date" is as defined in Condition 20;

"Failure to Deliver due to Illiquidity" is as defined in Condition 15.1;

"Failure to Deliver Settlement Price" is as defined in Condition 15.2(e);

"Finnish Agency Agreement" is as defined in paragraph 3 of these Terms and Conditions;

"Finnish Dematerialised Certificates" is as defined in Condition 28;

"Finnish Dematerialised Securities" means (a) in the case of an issue of Warrants, Finnish Dematerialised Warrants and (b) in the case of an issue of Certificates, Finnish Dematerialised Certificates;

"Finnish Dematerialised Warrants" is as defined in Condition 20;

"Finnish Record Date" is as defined in respect of Finnish Dematerialised Warrants in Condition 25.6 and in respect of Finnish Dematerialised Certificates in Condition 35.1;

"Finnish Security Agent" is as defined in paragraph 3 of these Terms and Conditions and is an account operator specifically authorised by Euroclear Finland and to be appointed by the Issuer in respect of any series of Finnish Dematerialised Securities to process and register issues in the Euroclear Finland System and identified in the applicable Final Terms and acting solely as the agent of the Issuer not assuming any obligation to, or relationship or agency of trust with the Holders;

"Fixed Rate Certificates" is as defined in Condition 32;

"Floating Rate" is as defined in Condition 32(b)(iii);

"Floating Rate Certificates" is as defined in Condition 32;

"Floating Rate Option" is as defined in Condition 32(b)(iii);

"Force Majeure Event" is as defined in Condition 15.1;

"freely tradable" is as defined in Condition 5.4;

"French Law Agency Agreement" is as defined in paragraph 5 of these Terms and Conditions;

"French Law Certificates" is as defined in Condition 28;

"French Law Guarantee" means the *garantie* dated 1 June 2012 executed by BNPP in respect of French Law Securities issued by BNPP B.V.;

"French Law Securities" means (a) in the case of Warrants, French Law Warrants and (b) in the case of Certificates, French Law Certificates;

"French Law Warrants" is as defined in Condition 20;

"French Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Fund Securities" is as defined in Condition 2.1;

"Futures OET Certificate" means a Futures Security that is an OET Certificate;

"Futures Securities" is as defined in Condition 2.1;

"GDR/ADR" is as defined in Condition 2.1;

"General Meeting" is as defined in Condition 9.4(b)(i);

"Global Certificate" is as defined in Condition 29;

"Global Security" means (a) in the case of Warrants, the Global Warrant and (b) in the case of Certificates, the Global Certificate;

"Global Warrant" is as defined in Condition 21;

"Government Authority" is as defined in Condition 15.1;

"Guarantee" means (a) in the case of English Law Securities, the English Law Guarantee and (b) in the case of French Law Securities, the French Law Guarantee;

"Guaranteed Cash Settlement Amount" is as defined in Condition 4;

"Guarantor" is as defined in paragraph 3 of these Terms and Conditions;

"Hedge" is as defined in Condition 15.1;

"Hedging Disruption" is as defined in Condition 15.1;

"Hedging Shares" is as defined in Condition 15.1;

"Holder" is as defined in Condition 2.2, Condition 23 (in the case of Registered Warrants) and Condition 31 (in the case of Registered Certificates);

"holder of Certificates" is as defined in Condition 31;

"Holder of Securities" is as defined in Condition 2.2;

"Hybrid Securities" is as defined in Condition 2.1;

"Iberclear" means "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal" whose commercial name is Iberclear;

"Increased Cost of Hedging" is as defined in Condition 15.1;

"Increased Cost of Stock Borrow" is as defined in Condition 15.1;

"Index OET Certificate" means an Index Security that is an OET Certificate;

"Index Securities" is as defined in Condition 2.1;

"Indian FII" means an institution established or incorporated outside India and registered with the Securities Exchange Board of India under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as an institutional investor;

"Inflation Index Securities" is as defined in Condition 2.1;

"Initial Stock Loan Rate" is as defined in Condition 15.1;

"Insolvency Filing" is as defined in Condition 15.1;

"Interest Amount" is as defined in Condition 32(b)(vi);

"Interest Determination Date" is as defined in Condition 32(b)(vi);

"Interest Period End Date" is as defined in Condition 32(b)(i);

"Interest Period End Final Date" is as defined in Condition 32(a) and Condition 32(b)(i);

"Intermediary" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Intervening Period" is as defined in Condition 35.2(d);

"Investor Representation Letter" is as defined in Condition 2.4;

"ISDA Definitions" is as defined in Condition 32(b)(iii);

"Issuer" is as defined in paragraph 2 of these Terms and Conditions;

"Italian Dematerialised Certificates" is as defined in Condition 28;

"Italian Dematerialised Securities" means (a) in the case of an issue of Warrants, Italian Dematerialised Warrants and (b) in the case of an issue of Certificates, Italian Dematerialised Certificates;

"Italian Dematerialised Warrants" is as defined in Condition 20;

"Italian Listed Certificates" is as defined in Condition 28;

"Italian Listed Securities" means (a) in the case of an issue of Warrants, Italian Listed Warrants and (b) in the case of an issue of Certificates, Italian Listed Certificates;

"Italian Listed Warrants" is as defined in Condition 20;

"Italian Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Jurisdiction Event" is as defined in Condition 15.1;

"Knock-in Determination Day" is as defined in Condition 16.6;

"Knock-in Determination Period" is as defined in Condition 16.6;

"Knock-in Event" is as defined in Condition 16.6;

"Knock-in Level " is as defined in Condition 16.6;

"Knock-in Period Beginning Date" is as defined in Condition 16.6;

"Knock-in Period Ending Date" is as defined in Condition 16.6;

"Knock-in Range Level " is as defined in Condition 16.6;

"Knock-in Valuation Time" is as defined in Condition 16.6;

"Knock-out Determination Day" is as defined in Condition 16.6;

"Knock-out Determination Period" is as defined in Condition 16.6;

"Knock-out Event" is as defined in Condition 16.6;

"Knock-out Level" is as defined in Condition 16.6;

"Knock-out Period Beginning Date" is as defined in Condition 16.6;

"Knock-out Period Ending Date" is as defined in Condition 16.6;

"Knock-out Range Level" is as defined in Condition 16.6;

"Knock-out Valuation Time" is as defined in Condition 16.6;

"Korean Investor ID Holder" means an entity incorporated outside the Republic of Korea that is holding an investment identity card issued by the Financial Supervisory Service of the Republic of Korea;

"Level" is as defined in Condition 16.6;

"LIBOR" is as defined in Condition 32(b)(iii)(C);

"Linked Interest Certificates" is as defined in Condition 32;

"Linked Premium Amount Certificates" is as defined in Condition 33.2

"Local Currency" is as defined in Condition 15.1;

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

"**Loss of Stock Borrow**" is as defined in Condition 15.1;

"**Luxembourg or Brussels time**" is as defined in Condition 24.4;

"**Madrid Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Maximum Stock Loan Rate**" is as defined in Condition 15.1;

"**Modified Postponement**" is as defined in Condition 28;

"**Monte Titoli**" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"**National Currency Unit**" is as defined in Condition 17(b);

"**New York Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**New York time**" is as defined in Condition 24.4;

"**Notice Period**" is as defined in Conditions 34.3 and 34.4

"**Observation Date**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**Observation Period**" is as defined in Condition 20 (in the case of Warrants) and 28 (in the case of Certificates);

"**OET Certificate**" means Securities specified as Open End Turbo Certificates in the applicable Final Terms;

"**Omission**" is as defined in Condition 28;

"**Open End Certificate**" is as defined in Condition 28;

"**Optional Additional Disruption Event**" is as defined in Condition 15.1;

"**Optional Redemption Amount**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Date**" is as defined in Conditions 34.3 and 34.4;

"**Optional Redemption Valuation Date**" is as defined in Conditions 34.3 and 34.4;

"**Original Currency**" is as defined in Condition 17(a)(ii);

"**Payment Date**" is as defined in Condition 35.1;

"**Permanent Global Warrant**" is as defined in Condition 21;

"**Physical Delivery Certificates**" is as defined in Condition 30;

"**Physical Delivery Securities**" means (a) in the case of an issue of Warrants, Physical Delivery Warrants and (b) in the case of an issue of Certificates, Physical Delivery Certificates;

"**Physical Delivery Warrants**" is as defined in Condition 22;

"Postponement" is as defined in Condition 28;

"Premium Amount" is as defined in Condition 33.5;

"Premium Amount Payment Date" is as defined in Condition 33.5;

"Principal Security Agent" is as defined in paragraph 3 of these Terms and Conditions;

"Private Placement Definitive Certificates" is as defined in Condition 29;

"Private Placement Definitive Securities" means (a) in the case of an issue of Warrants, Private Placement Definitive Warrants and (b) in the case of an issue, of Certificates, Private Placement Definitive Certificates;

"Private Placement Definitive Warrant" is as defined in Condition 21;

"Private Placement Register" is as defined in Condition 2.2;

"Proceedings" is as defined in Condition 14.1(b);

"Put Notice" is as defined in Condition 34.4;

"Put Warrants" is as defined in Condition 22;

"QIBs" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Qualified Investor" means, where the Relevant Jurisdiction is Korea, Taiwan, India, People's Republic of China or Socialist Republic of Vietnam, a Korean Investor ID Holder, a Taiwan FINI, an Indian FII, a Chinese QFII and a Vietnamese QI, respectively;

"Quota" is as defined in Condition 26.1(b);

"Record Date" is as defined in Condition 35.1 (in the case of Certificates);

"Redemption Date" is as defined in Condition 34.1;

"Reference Banks" is as defined in Condition 28;

"Register" is as defined in Condition 23;

"Registered Certificates" is as defined in Condition 29;

"Registered Global Certificate" is as defined in Condition 29;

"Registered Global Security" means (a) in the case of an issue of Warrants, a Registered Global Warrant and (b) in the case of an issue of Certificates, a Registered Global Certificate;

"Registered Global Warrant" is as defined in Condition 21;

"Registered Securities" means (a) in the case of an issue of Warrants, Registered Warrants and (b) in the case of an issue of Certificates, Registered Certificates;

"Registered Warrants" is as defined in Condition 21;

"Registrar" is as defined in paragraph 3 of these Terms and Conditions;

"Regulation S" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Regulation S Global Certificate" is as defined in Condition 29;

"Regulation S Global Security" means (a) in the case of an issue of Warrants, a Regulation S Global Warrant and (b) in the case of an issue of Certificates, a Regulation S Global Certificate;

"Regulation S Global Warrant" is as defined in Condition 21;

"Related Expenses" is as defined in Condition 11.2;

"Relevant Adjustment Provisions" is as defined in Condition 16.6 and 34.9(b);

"Relevant Jurisdiction" means the country in which (as the case may be) the Shares, the Shares relating to the depositary receipts, the ETI Interests, the Debt Instruments, the Fund or the Fund Units are issued (or in which the issuer of such Shares, ETI Interests, Debt Instruments or Fund Units is incorporated) or the Index is based, as specified in the applicable Final Terms;

"Renouncement Notice" is as defined in Condition 24.1(a) (in the case of Warrants) and Condition 34.7 (in the case of Certificates);

"Reset Date" is as defined in Condition 32(b)(iii);

"Rolling Futures Contract Securities" means a Security that is specified as such in the applicable Final Terms;

"Rule 144A" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Rule 144A Certificates" is as defined in Condition 29;

"Rule 144A Global Certificate" is as defined in Condition 29;

"Rule 144A Global Security" means (a) in the case of an issue of Rule 144A Warrants, the Rule 144A Global Warrant representing such Rule 144A Warrants and (b) in the case of an issue of Rule 144A Certificates, the Rule 144A Global Certificate representing such Rule 144A Certificates;

"Rule 144A Global Warrant" is as defined in Condition 21;

"Rule 144A Warrants" is as defined in Condition 21;

"Scheduled Averaging Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject, in respect of Index Securities, to subparagraphs (b) and (c) of the definition of Valuation Time, and subject, in respect of Share Securities, to subparagraph (c) of the definition of Valuation Time;

"Scheduled Strike Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Strike Date;

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"Secured Securities" is as defined in Condition 2.1;

"Securities" is as defined in paragraph 2 of these Terms and Conditions;

"Securities Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Security Agent" and **"Security Agents"** are as defined in paragraph 3 of these Terms and Conditions;

"Security Expenses" is as defined in Condition 11.1 and Condition 25.3(a)(iv);

"SeDeX" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Settlement Business Day" is as defined in Condition 5.1;

"Settlement Date" is as defined in Condition 20;

"Settlement Disruption Event" is as defined in Condition 5.1;

"SFIA Act" is as defined in Condition 21 (in the case of Warrants) and Condition 29 (in the case of Certificates);

"Share" is as defined in Condition 15.2(e);

"Share OET Certificate" means a Share Security that is an OET Certificate;

"Share Securities" is as defined in Condition 2.1;

"Specified Maximum Days of Disruption" means (other than with respect to Commodity Securities and Currency Securities) eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms, with respect to Currency Securities, five Scheduled Trading Days and with respect to Commodity Securities, five Commodity Business Days;

"Stop-Loss Event" is as defined in Condition 15.1;

"Strike Date" means, in the case of Index Securities, Share Securities, ETI Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or practicable, determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities or Futures Securities, in accordance with its good faith estimate of the relevant price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Securities are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to the Affected Item, the level or price as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:
 - (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of a Share, ETI Interest or Future, its good faith estimate of the price for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (c) in the case of Commodity Securities, the Initial Pricing Date;

"**Strike Price**" is as defined in Condition 28;

"**Substitute**" is as defined in Condition 13.1;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Condition 5.4;

"**Substitute Guarantee**" is as defined in Condition 13.2(b);

"**Substitute Guarantor**" is as defined in Condition 13.2;

"**Substitute Share**" is as defined in Condition 15.2(e);

"**Substitution Date**" is as defined in Condition 15.2(e);

"**sub-unit**" is as defined in Condition 32(a);

"**Successor Index**" is as defined in Condition 15.2(d);

"**Swedish Agency Agreement**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swedish Dematerialised Certificates**" is as defined in Condition 28;

"**Swedish Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swedish Dematerialised Warrants and (b) in the case of an issue of Certificates, Swedish Dematerialised Certificates;

"**Swedish Dematerialised Warrants**" is as defined in Condition 20;

"**Swedish Record Date**" is as defined in Condition 35.1;

"**Swedish Security Agent**" is as defined in paragraph 3 of these Terms and Conditions;

"**Swiss Dematerialised Certificates**" is as defined in Condition 28;

"**Swiss Dematerialised Securities**" means (a) in the case of an issue of Warrants, Swiss Dematerialised Warrants and (b) in the case of an issue of Certificates, Swiss Dematerialised Certificates;

"**Swiss Dematerialised Warrants**" is as defined in Condition 20;

"**Swiss Materialised Certificates**" is as defined in Condition 28;

"**Swiss Materialised Securities**" means (a) in the case of an issue of Warrants, Swiss Materialised Warrants and (b) in the case of an issue of Certificates, Swiss Materialised Certificates;

"**Swiss Materialised Warrants**" is as defined in Condition 20;

"**Swiss Securities**" means Swiss Materialised Securities and Swiss Dematerialised Securities. The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms;

"**Swiss Security Agent**" means the entity specified in the applicable Final Terms;

"**Taiwan FINI**" means an entity incorporated outside Taiwan with Foreign Institutional Investor (FINI) status in Taiwan or with FINI sub-account status in Taiwan;

"**Taxes**" is as defined in Condition 11.2;

"**Transfer Certificate**" is as defined in Condition 23;

"**Treaty**" is as defined in Condition 17(b);

"**Underlying Reference**" is as defined in Condition 16.6 and 34.9(b);

"Underlying Reference Level" is as defined in Condition 34.9(b);

"Underlying Share" is as defined in Condition 2.1;

"Units" is as defined in Condition 22;

"U.S. Certificates" is as defined in Condition 29;

"U.S. Securities" means (a) in the case of an issue of Warrants, U.S. Warrants and (b) in the case of an issue of Certificates, U.S. Certificates;

"U.S. Warrants" is as defined in Condition 21;

"Valid Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Date" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Valuation Time" is as defined in Condition 20 (in the case of Warrants) and Condition 28 (in the case of Certificates);

"Vietnamese QI" means a corporation that both (a) incorporated outside the Socialist Republic of Vietnam and (b) does not have any permanent establishment in the Socialist Republic of Vietnam; and

"Warrants" is as defined in paragraph 2 of these Terms and Conditions.

2. TYPE, TITLE AND TRANSFER

2.1 Type

The Securities relate to a specified index or basket of indices ("**Index Securities**"), a specified share or basket of shares, or a specified depositary receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), a specified debt instrument or basket of debt instruments ("**Debt Securities**"), a specified commodity or commodity index or basket of commodities and/or commodity indices ("**Commodity Securities**"), a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), a specified currency or basket of currencies ("**Currency Securities**"), a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), the credit of a specified reference entity or reference entities ("**Credit Securities**"), a specified preference share issued by BNP Paribas Synergy Limited ("**Preference Share Certificates**") or any other or further type of Securities as is specified in the applicable Final Terms including Securities issued by BNPP B.V. in respect of which BNPP B.V. grants security over certain of its assets ("**Secured Securities**") and/or Securities which relate to any combination of such indices, shares, interests in exchange traded instruments, debt instruments, commodities, inflation indices, currencies, fund shares or units, futures contract(s), the credit of a specified reference entity or reference entities and other asset classes or types ("**Hybrid Securities**").

Securities related to a specified interest in an exchange traded instrument or basket of interests in exchange traded instruments, a specified commodity or commodity index or basket of commodities and/or commodity indices, a specified inflation index or basket of inflation indices, specified currency

or basket of currencies, a specified fund share or unit or basket of fund shares or units, the credit of a specified reference entity or reference entities, a specified futures contract or basket of futures contracts, or Hybrid Securities related to any of these asset classes, may not at any time be offered, sold, resold, held, traded, pledged, exercised (in the case of Warrants), settled or redeemed (in the case of Certificates), 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 unless expressly provided for pursuant to any applicable U.S. wrapper to the Base Prospectus. Any such applicable U.S. wrapper may restrict the types of Securities that can be offered, sold, resold, held, traded, pledged, exercised, redeemed, transferred or delivered and the terms of such Securities.

If Averaging is specified as applying in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 20 in the case of Warrants or Condition 28 in the case of Certificates) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to (a) Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of cash payment, and (b) Physical Delivery Securities where settlement is to be automatically varied to be by way of cash payment pursuant to Condition 5.3. References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security pursuant to Condition 5.3 and where settlement is to be by way of physical delivery. Unless otherwise specified in the applicable Final Terms, the Issuer does not have the option to vary settlement in respect of the U.S. Securities pursuant to Condition 5.3.

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

2.2 Title to Securities other than Registered Securities

In the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of a relevant Clearing System or held by a relevant Clearing System or by Euroclear France and French Law Securities, each person who is for the time being shown in the records of the relevant Clearing System (in the case of English Law Securities other than English Law Securities held through Euroclear France) or whose name appears in the account of the relevant Account Holder (in the case of French Law Securities or English Law Securities held through Euroclear France, together "**Euroclear France Securities**" or in the case of French Law Securities held by Euroclear Netherlands "**Euroclear Netherlands Securities**") as the holder of a particular amount of such Securities (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 Securities 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 Security Agent as the holder of such amount of Securities for all purposes (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Swedish Dematerialised Securities, the person for the time being shown in the Euroclear Sweden Register as the holder of a particular amount of Securities shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Sweden and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). The Issuer shall cause such Securities to be accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System in accordance with the SFIA Act and Euroclear Sweden Rules. The Issuer shall have the right to obtain extracts from the debt register of Euroclear Sweden.

In the case of Finnish Dematerialised Securities, the person in whose name the Finnish Dematerialised Security is registered in the book-entry account in the Euroclear Finland Register (including a nominee account holder, as the case may be) shall (except as otherwise required by law) be treated for all purposes by the Issuer, the Guarantor, the Security Agents, Euroclear Finland and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly). Where a nominee is so evidenced it shall be treated as the holder of the relevant Finnish Dematerialised Securities. The Issuer shall cause such Securities to be accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by Euroclear Finland. Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the Euroclear Finland Register maintained by Euroclear Finland as registrar on behalf of the Issuer in accordance with the rules of Euroclear Finland, and Euroclear Finland shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. Furthermore, the Issuer shall, subject to regulations of Euroclear Finland and applicable laws, be entitled to acquire from Euroclear Finland a list of the holders of Finnish Dematerialised Securities, provided that it is technically possible for Euroclear Finland to maintain such a list. The Issuer shall be entitled to pass such information to the Finnish Security Agent or to authorize such agent to acquire such information from Euroclear Finland directly. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Finnish Dematerialised Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder.

In the case of Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli as to the amount of Securities 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 applicable law) be treated for all purposes by the Issuer, the Guarantor, the Italian Security Agent and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions "**Holder**" and "**Holder of Securities**" and related expressions shall be construed accordingly, except where Italian law is applicable, in which case "**Holder**" and "**Holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli,

pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

Title to French Law Securities held through Euroclear France will be evidenced in accordance with Article L.211-3 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 Securities. The French Law Securities held through Euroclear France will, upon issue, be inscribed in the books of Euroclear France which will credit the accounts of the relevant Account Holders.

Title to OET Certificates cleared through Euroclear Netherlands is established by account entry in accordance with the Dutch Act on Giro Transfers of Securities (*'Wet giraal effectenverkeer'*). No physical document or certificate will be issued in respect of such OET Certificates.

Once issued, OET Certificates that are Euroclear France Securities or Euroclear Netherlands Securities shall be deposited with Euroclear France or Euroclear Netherlands, as the case may be, acting as central depository and registered in an account in the books of Euroclear France or Euroclear Netherlands, as the case may be, which shall credit the accounts of the Account Holders (including Euroclear and Clearstream, Luxembourg).

However, the Issuer reserves the right, if such option is provided in the Final Terms, to have OET Certificates transferred from Euroclear France or Euroclear Netherlands, as the case may be, at any time (in the case of OET Certificates already issued) to, or to deposit the OET Certificates of a particular issue (in the case of OET Certificates yet to be issued) with, another depository whose registered office is situated within a European Economic Area country. In the event of a change of depository, the Issuer shall comply with all laws, regulations and tax rules applicable to the functions of such depository.

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 or Euroclear Netherlands, and includes the depository bank for Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the case of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, the Rule 144A Global Security 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 Security may be registered. Transfers of such Rule 144A Global Security by such nominee of DTC shall be limited to transfers of such Rule 144A Global Security, 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 Security are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 2.4 below, each person who is for the time being shown in the records of DTC as the Holder of a particular number (in the case of Warrants) or amount (in the case of Certificates) of Securities shall (except as otherwise required by law) be treated by the Issuer and the New York Security Agent as the Holder of such number or amount, as the case may be, of Securities for all purposes (and the expressions "**Holder of Securities**" and related expressions shall be construed accordingly).

In the case of Private Placement Definitive Securities, the Issuer shall cause to be kept at the principal office of the Definitive Security Agent, a register (the "**Private Placement Register**") on which shall be entered the names and addresses of all holders of Private Placement Definitive Securities, the number or amount, as the case may be, and type of Private Placement Definitive Securities held by

them and details of all transfers of Private Placement Definitive Securities. Subject as set forth in Condition 2.4 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 Securities 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.

2.3 Title to Registered Securities

Provisions relating to title to Registered Warrants are set out in Condition 23.

Provisions relating to title to Registered Certificates are set out in Condition 31.

2.4 Transfers of Interests in Clearing System Securities and Private Placement Definitive Securities

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 25.

Transfers of Certificates may not be effected after the redemption of such Certificates pursuant to Condition 34.

Subject as set forth in this Condition, all transactions (including permitted transfers of Securities) in the open market or otherwise must be effected, in the case of Securities represented by a Clearing System Global Security held by a Common Depository on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System, Euroclear Netherlands or Euroclear France, through an account at Clearstream, Luxembourg or Euroclear, as the case may be, and/or any other relevant Clearing System, or in the case of Euroclear France Securities or Euroclear Netherlands Securities as the case may be, through Account Holder(s), or in the case of Securities represented by a Rule 144A Global Security 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 Clearing System Securities governed by French Law 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 Monte Titoli 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 Security Agent from time to time and notified to the Holders in accordance with Condition 10.

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

(a) Transfers of Securities to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Regulation S Global Security, from a Holder of

Securities represented by a Regulation S Global Security, to a non-U.S. person in an offshore transaction pursuant to Regulation S;

- (B) (I) in the case of transfers within the Distribution Compliance Period to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, only upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V. or (II) in the case of transfers after the expiration of the Distribution Compliance Period and only in the case of U.S. Securities issued by BNPP B.V., to a person whom the transferor reasonably believes is a QIB and QP;
- (C) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Securities represented by a Regulation S Global Security, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is a QIB acquiring such Securities in a transaction meeting the requirements of Rule 144A (provided that after the expiration of the Distribution Compliance Period, such certification need not be provided for a transaction meeting the requirements of Rule 144A), in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V.;
- (D) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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;
- (E) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security, from a Holder of Private Placement Definitive Securities, upon certification (in the form from time to time available from any Security Agent) to the New York Security Agent by the transferor thereof that such transfer is being made to a person whom the transferor reasonably believes is (x) a QIB, in the case of U.S. Securities issued by BNPP or (y) a QIB and a QP, in the case of U.S. Securities issued by BNPP B.V., and, in either case, acquiring such Securities 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 Securities represented by a Rule 144A Global Security, from a Holder of

Securities represented by a Rule 144A Global Security, in a transaction meeting the requirements of Rule 144A and, in the case of Securities issued by BNPP B.V. in accordance with paragraph (d) below;

- (G) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security, from a Holder of Securities represented by a Rule 144A Global Security, upon certification (in the form from time to time available from any Security Agent) to the Principal Security 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
 - (H) in each case, in accordance with any applicable rules and regulations of the Principal Security Agent, the New York Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or Rule 144A Global Security 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 Securities represented by a Rule 144A Global Security 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) (I) in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security, the relevant Clearing System will debit the account of its participant and (II) in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and

- (B) the relevant Clearing System or the Holder, as the case may be, will instruct
 - (I) in the case of transfers to a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, the Principal Security Agent to instruct Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, as the case may be, to credit the relevant account of the relevant Clearing System participant, and
 - (II) in the case of transfers to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, (a) the New York Security Agent (in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, (b) the Definitive Security Agent (in the case of transfers of Private Placement Definitive Securities) to credit the relevant account of the DTC participant, or (c) the Principal Security Agent (in the case of transfers of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 the relevant Clearing System at DTC and thereafter DTC will debit such account of the relevant Clearing System, and will credit the relevant account of the DTC participant.
- (iv) Upon any such transfers, on the transfer date:
 - (A) the Principal Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 Securities represented by such Regulation S Global Security or Rule 144A Global Security, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, as the case may be, shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
 - (B) the New York Security Agent, in the case of transfers to and/or from a person who takes delivery in the form of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Securities represented by such Rule 144A Global Security, whereupon the number of Securities represented by such Rule 144A Global Security shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed.
- (b) Transfers of Securities to a person who takes delivery in the form of Private Placement Definitive Securities may be made only in accordance with the following provisions:
 - (i) (A) in the case of transfers from a Holder of Private Placement Definitive Securities, upon (I) delivery of a duly executed investor representation letter

from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.;

- (B) in the case of transfers from a Holder of Securities represented by a Rule 144A Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) certification (in the form from time to time available from any Security Agent) to the Definitive Security 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 Securities in a transaction exempt from the registration requirements of the Securities Act;
 - (C) in the case of transfers from a Holder of Securities represented by a Regulation S Global Security, upon (I) delivery of a duly executed investor representation letter from the relevant transferee in accordance with paragraph (c) below and (II) within the Distribution Compliance Period only, certification (in the form from time to time available from any Security Agent) to the Definitive Security Agent by the transferor thereof that such transfer is being made to (x) a person whom the transferor reasonably believes is an AI acquiring such Securities in a transaction exempt from the registration requirements of the Securities Act, in the case of U.S. Securities issued by BNPP or (y) a person whom the transferor reasonably believes is a QIB and a QP in a transaction meeting the requirements of Rule 144A, in the case of U.S. Securities issued by BNPP B.V.; 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 Security Agent, the Definitive Security 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 Securities, a free of payment instruction to the Definitive Security 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 Securities represented by a Regulation S Global Security or a Rule 144A Global Security 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 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 Securities represented by a Rule 144A Global Security 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 Securities represented by a Clearing System Global Security, the relevant Clearing System will debit the account of its participant and, in the case of transfers of Private Placement Definitive Securities, the Holder must deliver the Private Placement Definitive Securities the subject of the transfer to the Definitive Security Agent and instruct the Definitive Security Agent to cancel the transferred Private Placement Definitive Securities; and
- (B) the relevant Clearing System or the Holder, as the case may be, will instruct the Definitive Security Agent to deliver or procure the delivery of new Private Placement Definitive Securities, of a like number to the number of Securities transferred, to the transferee at its specified office or send such new Private Placement Definitive Securities, 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 Security Agent will, in the case of transfers of Securities represented by a Regulation S Global Security or Rule 144A Global Security held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System, decrease the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Regulation S Global Security or Rule 144A Global Security shall, if appropriate, be reduced for all purposes by the number so transferred or exchanged and endorsed; or
- (B) the New York Security Agent will, in the case of transfers of Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, decrease the number of Securities represented by such Rule 144A Global Security, if appropriate, whereupon the number of Securities represented by such Rule 144A Global Security shall, if appropriate, be decreased for all purposes by the number so transferred and endorsed.

- (c) In the case of transfers of Securities to a person who takes delivery in the form of a Private Placement Definitive Security, 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 Security Agent is a condition precedent to the transfer of such Private Placement Definitive Security 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 Security 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 Security Agent (in relation to Regulation S Global Securities or Rule 144A Global Securities held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System) or (ii) the New York Security Agent (in relation to Rule 144A Global Securities held by a Custodian on behalf of DTC) or (iii) the Definitive Security Agent (in relation to Private Placement Definitive Securities) subsequently determines or is subsequently notified by BNPP that (A) a transfer or attempted or purported transfer of any interest in a Private Placement Definitive Security 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 (B) the Holder of any interest in any Security 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 Securities, 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 Security was consummated that did not comply with the transfer restrictions set forth in this Condition 2.4, 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.

- (d) In the case of transfers of Securities to a person who takes delivery in the form of Securities represented by a Rule 144A Global Security issued by BNPP B.V., the transferor shall have agreed in an Investor Representation Letter to certain restrictions on transfer and, the transfer shall be subject to the delivery of a duly executed Investor Representation Letter from the relevant transferee to BNPP B.V. Any attempted transfer that is not in accordance with the procedures set forth in the transferor's Investor Representation Letter and with any procedures set forth in any applicable U.S. wrapper to the Base Prospectus shall not be valid or binding on BNPP B.V. or BNPP.

2.5 Transfer of Registered Securities

Provisions relating to the transfer of Registered Warrants are set out in Condition 23.

Provisions relating to the transfer of Registered Certificates are set out in Condition 31.

2.6 Transfer of Swedish Dematerialised Securities

Title to Swedish Dematerialised Securities will pass upon entry in the Euroclear Sweden Register (or, if applicable, notice to a nominee under the terms of the SFIA Act) in accordance with the SFIA Act.

2.7 Transfer of Finnish Dematerialised Securities

Title to Finnish Dematerialised Securities shall pass by transfer from a Holder's book-entry account to another person's, whether a legal person or an individual, book-entry account within Euroclear Finland (except where the Finnish Dematerialised Securities are nominee-registered and are transferred from one account to another account with the same nominee). Finnish Dematerialised Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland.

2.8 Transfer of Italian Dematerialised Securities

Title to Italian Dematerialised Securities will pass upon registration of the transfer in the records of Monte Titoli.

3. STATUS OF THE SECURITIES AND GUARANTEE

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

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

4. GUARANTEE

Where the Issuer is BNPP B.V., subject as provided below and in the relevant Guarantee, BNPP has unconditionally and irrevocably (a) guaranteed to each Holder all obligations of the Issuer in respect of such Holder's Securities as and when such obligations become due and (b) agreed that if and each time that the Issuer fails to satisfy any obligations under such Securities as and when such obligations become due, BNPP will not later than five Paris Business Days (as defined in the relevant Guarantee) after a demand has been made on BNPP pursuant thereto (without requiring the relevant Holder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though BNPP were the principal obligor in respect of such obligations provided that (i) in the case of Physical Delivery Certificates and, in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that the Issuer had the right to vary settlement in respect of such Physical Delivery Securities in accordance with Condition 5.3 and exercised such right or failed to exercise such right, BNPP will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the Holders of such Physical Delivery Securities, but in lieu thereof, to make payment in respect of each such Physical Delivery Security of an amount determined by BNPP in its sole and absolute discretion equal to the Cash Settlement Amount that would have been payable upon exercise (in the case of Warrants) or redemption (in the case of Certificates) of such Securities assuming they were Cash Settled Securities calculated pursuant to the terms of the relevant Final Terms, or in the case of lack of liquidity of the underlying, the fair market value of such Security less the costs of unwinding any underlying related hedging arrangements (the "**Guaranteed Cash Settlement Amount**") and (ii) in the case of Securities where the obligations of the Issuer which fail to be satisfied constitute the delivery of the Entitlement to the Holders, the Guarantor will as soon as practicable following the failure by the Issuer to satisfy its obligations under such Securities deliver or procure delivery of such Entitlement using the method of delivery specified in the applicable Final Terms provided that, if in the opinion of BNPP, delivery of the Entitlement using such method is not practicable by reason of (A) a Settlement Disruption Event (as defined in Condition 5.1) or (B) if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 15.1), in lieu of such delivery BNPP will make payment in respect of each such Security of, in the case of (A) above,

the Guaranteed Cash Settlement Amount or, in the case of (B) above, the Failure to Deliver Settlement Price (as defined in Condition 15.2). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Security shall constitute a complete discharge of BNPP's obligations in respect of such Security. Payment of the Guaranteed Cash Settlement Amount as the Failure to Deliver Settlement Price, as the case may be, will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

5. GENERAL PROVISIONS RELATING TO PHYSICAL SETTLEMENT IN RESPECT OF SECURITIES

5.1 Settlement Disruption

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

In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor (if any).

For the purposes hereof:

"Disruption Cash Settlement Price" means, in respect of any relevant Security or in the case of Warrants, if applicable, Unit, as the case may be, the fair market value of such Security or in the case of Warrants, if applicable, Unit, as the case may be (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such non-affected Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless otherwise provided in the applicable Final Terms), all as determined by the Issuer in its sole and absolute discretion, plus in the case of Warrants, if applicable and if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a pro rata portion thereof has been paid, such pro rata portion);

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

"Settlement Disruption Event" means, in the opinion of the Calculation Agent or, if the proviso to Condition 4 applies, BNPP, an event beyond the control of the Issuer or, if the proviso to Condition 4 applies, BNPP as a result of which the Issuer or BNPP, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

5.2 Failure to Deliver due to Illiquidity

"Failure to Deliver due to Illiquidity", if specified as applying in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Condition 15.1 below.

5.3 Variation of Settlement

- (a) If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Securities (which, unless otherwise specified, will not apply to U.S. Securities), and subject in the case of Warrants to a valid exercise of the Warrants in accordance with these Conditions, the Issuer may at its sole and absolute discretion in respect of each such Security or in the case of Warrants, if applicable, Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (b) If specified in the applicable Final Terms, and subject in the case of Warrants to a valid exercise of Warrants in accordance with these Conditions, the Issuer shall, in respect of each such Security or in the case of Warrants, if applicable, each Unit, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) to the relevant Holders.

5.4 Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

Following a valid exercise or redemption, as the case may be, of Securities in accordance with these Conditions, the Issuer may, in its sole and absolute discretion in respect of such Securities, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares or interests in ETIs which the Calculation Agent determines, in its sole and absolute discretion, are

freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Holders in accordance with Condition 10.

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

5.5 Commodity Securities shall not be Physical Delivery Securities.

6. GENERAL

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

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

7. ILLEGALITY AND FORCE MAJEURE

7.1 Illegality

If the Issuer determines that the performance of its obligations under the Securities has become illegal in whole or in part for any reason, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem all but not some only of the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities 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. Securities, pay an amount to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

7.2 Force Majeure

If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform in whole or in part its obligations under the Securities and/or any related hedging arrangements, the Issuer may, in the case of Warrants, cancel, or in the case of Certificates, redeem the Securities by giving notice to Holders in accordance with Condition 10.

If the Issuer cancels or redeems, as the case may be, the Securities then the Issuer will, if and to the extent possible or practicable, pay an amount (if any) to each Holder in respect of each Security, or in the case of Warrants, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be equal to the fair market value (if any) of a Security or Unit, as the case may be, taking into account such force majeure or act of state less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, in the case of Warrants, if applicable and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Any payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

8. PURCHASES

8.1 Purchase and cancellation by BNPP B.V. in respect of any Securities and by BNPP in respect of Warrants

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. In the case of BNPP B.V., any Securities or, in the case of BNPP, any Warrants so purchased may be held or resold or surrendered for cancellation, provided however, that Securities 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.

8.2 Purchase by BNPP in respect of Certificates

The Issuer may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty.

Certificates so purchased by the Issuer may be held or resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Certificates, or cancelled.

8.3 Cancellation by BNPP in respect of Certificates

All Certificates which are purchased for cancellation by the Issuer will forthwith be cancelled and accordingly may not be re-issued or resold.

9. SECURITY AGENTS, REGISTRAR, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

9.1 Security Agents and Registrar

The specified offices of each of the Security Agents and the Registrar are 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 Security Agent or the Registrar and to appoint further or additional Security Agents or a further or additional Registrar, provided that no termination of appointment of the Security Agent

or the Registrar, as the case may be, shall become effective until a replacement Security Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, if the Securities are Registered Securities, there shall be a Registrar. So long as any of the Securities are Private Placement Definitive Securities, there shall be a Definitive Security Agent, and so long as any of the Securities are represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, there shall be a New York Security Agent. Notice of any termination of appointment and of any changes in the specified office of any of the Security Agents or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, the Security Agent and the Registrar act solely as agents of the Issuer and the Guarantor, if any, and do 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 Securities by the Security Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the respective Holders.

In the case of Swedish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Swedish Security Agent, provided that it appoints another Swedish Security Agent that is duly authorised under the SFIA Act as an account operator.

In the case of Finnish Dematerialised Securities the relevant Issuer is entitled to vary or terminate the appointment of the Finnish Security Agent, provided that it appoints another Finnish Security Agent, that is duly authorised under the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) as an account operator.

9.2 Calculation Agent

In relation to each issue of Securities, the Calculation Agent (whether it be BNP Paribas, BNP Paribas Arbitrage S.N.C. or another entity) acts solely as agent of the Issuer and the Guarantor, if any, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor, if any, and the Holders. Because the Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgments that the Calculation Agent must make.

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

9.3 Determinations by the Issuer and the Guarantor

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

9.4 Meetings of Holders

(a) English Law Securities

The Agency Agreement contains provisions for convening meetings of the Holders of English Law Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, the Guarantor or Holders holding not less than 5 per cent. (by number) of the Securities for the time being, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. The quorum at a meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of English Law Securities so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Securities, in the case of Warrants, for the time being remaining unexercised or, in the case of Certificates, outstanding, or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Securities for the time being remaining unexercised or outstanding, as the case may be. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting who, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, except, in the case of Warrants, for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 25 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 25 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(b) French Law Securities

(i) Representation

In respect of any series of French Law Securities, Holders shall not be grouped automatically for the defence of their common interests in a *masse* constituting a separate legal body and governed by the provisions of Articles L.228-46 *et seq* of the French *Code de commerce*. Consequently the Holders shall not be represented by any representative of such body.

However, general meetings of Holders (a "**General Meeting**") may be convened to consider some matters relating to any series of French Law Securities as provided hereunder.

(ii) Powers of the General Meetings

The General Meeting is empowered to deliberate on any proposal relating to any matter affecting the interests of the Holders of the French Law Securities and their rights, actions and benefits which now or in the future may accrue with respect to the Securities, including the:

- (A) power to agree to any modification of the Securities including but not limited to, a modification of the Exercise Price (in the case of Warrants), Exercise Period (in the case of Warrants), Cash Settlement Amount, Entitlement, Expiration Date (in the case of Warrants), Redemption Date (in the case of Certificates), Settlement Date or more generally the modification of any term which can affect the amount to be paid under a Security or the scheduled payment date, which is proposed by the Issuer;
- (B) power to give any authority or approval which under the provisions of this Condition 9.4(b) is required to be given by a resolution of the General Meeting;
- (C) power to appoint any persons (whether Holders or not) to a committee or committees to confer upon any such committee or committees any powers or discretions which the Holders could themselves exercise by a resolution of the General Meeting; and
- (D) power to approve any contractual compromise or arrangement proposed to be made between the Issuer and the relevant Holders in respect of the rights of the Holders against the Issuer or against any of its property.

It is specified, however, that a General Meeting may not:

- I. appoint any person as the representative of the Holders of any series for all actions intended to defend the common interests of the Holders, and particularly to bring any court or arbitration action or proceedings, against the Issuer or any Agent; and
- II. agree on (a) any modification of the majority required to pass a resolution of the General Meeting, (b) any proposal relating to a change in the Issuer's corporate purpose or status, (c) any proposal for a settlement or a transaction concerning disputed rights or rights in respect of which court decisions have been handed down, or (d) proposals to merge or demerge the Issuer.

Any resolution passed at a General Meeting of the Holders of a series of French Law Securities, duly convened and held in accordance with the provisions of this Condition, shall be binding upon all the Holders of such series of French Law Securities whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10 by the Issuer within 14 calendar days of the result being known provided that non-publication shall not invalidate the resolution.

(iii) Convening and holding of the General Meeting

The General Meeting shall be convened by an authorised representative of the Issuer or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period and held, all with the same formal and deadline conditions as the shareholders' meetings of the Issuer including the provisions of Articles R. 225-66, R. 225-95, R. 225-101, R. 225-106 and R. 225-107 but excluding the provisions of Articles R. 225-72 to R. 225-74 of the French *Code de commerce*.

Any meeting unduly convened may be cancelled. However, the action to cancel this shall not be admissible when all the Holders of the relevant series are present or represented.

The day, time and place of the meeting and agenda of a meeting are determined at its discretion by the person convening it. However, one or more Holders holding at least one thirtieth of the relevant series of Securities then, in the case of Warrants, remaining unexercised or, in the case of Certificates, outstanding are entitled to require that draft resolutions be placed on the agenda. Such resolutions are placed on the agenda and put to the vote by the chairman of the meeting. The meeting shall not deliberate on an item which is not placed on the agenda. The agenda for the meeting may be amended on a second convening.

The meeting shall be chaired by a representative of the Issuer.

An attendance sheet is kept for each meeting. The decisions taken at each meeting are recorded in minutes signed by the members of the committee which are entered in a special register kept at the registered office of the Issuer. The elements that must be included in the attendance sheet and the minutes are the same as with respect to the shareholders' meetings of the Issuer.

All Holders of the relevant series of French Law Securities are entitled to participate in the meeting or to be represented at it by the representative of their choice. Any Holder may vote by correspondence with the same formal and deadline conditions as the shareholders' meetings of the Issuer. Any contrary provision in the articles of association is deemed not to exist. When the quorum is calculated, only voting forms received by the Issuer before the date of the meeting in the manner and within the time limits being the same as for the shareholders' meetings of the Issuer shall be included in such calculation. Forms which do not indicate a voting intention or which express an abstention are treated as negative votes. If the articles of association of the Issuer so provide, Holders who participate in the meeting via videoconferencing or via a telecommunications medium which permits their identification are deemed to be present for calculation of the quorum and the majority.

The rights of each Holder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Holder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 00.00, Paris time. The voting right in General Meetings shall belong to the bare owner (*nupropriétaire*) of the relevant Securities. Each Security shall confer the right to one vote.

Holdings shall not be allowed individually to exercise control over the operations of the Issuer or to request notification of Issuer documents.

(iv) Information to Holders

Each Holder thereof will have the right, during the 15-day period preceding the holding of the relevant General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Security Agents during usual business hours and at any other place specified in the notice of the General Meeting. The relevant Holders shall at all times have the same right with regard to the minutes and attendance sheets of the said General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting.

In the case of Certificates, it is expressly stipulated that no expenses may be imputed against interest payable under the Certificates.

9.5 Modifications

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders (but in the case of Swedish Dematerialised Securities, with the consent of Euroclear Sweden and in the case of Finnish Dematerialised Securities, with the consent of Euroclear Finland) in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to cure, correct or supplement a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. NOTICES

All notices to Holders shall be valid if:

- (a) (i) in the case of Clearing System Securities (other than Securities represented by a Rule 144A Global Security held by a Custodian on behalf of DTC, Italian Listed Securities, Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands Securities listed on Euronext Amsterdam and Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange), Registered Certificates represented by a Registered Global Certificate and Italian Dematerialised Securities, delivered to the relevant Clearing System (in the case of English Law Securities), or to the relevant Account Holder (in the case of French Law Securities) for communication by them to the Holders;
- (ii) in the case of Securities represented by a Rule 144A Global Security 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;
- (iii) in the case of Clearing System Securities which are Italian Listed Securities or Euroclear France Securities listed on Euronext Paris or Euroclear Netherlands

Securities listed on Euronext Amsterdam, published by Borsa Italiana S.p.A., Euronext Paris or Euronext Amsterdam, as the case may be and in the case of OET Certificates, published on the "Certificate" website of the Issuer ("www.produitsde bourse.bnpparibas.fr") or other website of the Issuer as may be notified to Holders;

- (iv) in the case of Securities issued and cleared through Iberclear and listed on the Madrid Stock Exchange, published by the Madrid Stock Exchange or, if applicable, in the manner specifically provided by Spanish law and regulations for the relevant notice, as the case may be;
 - (v) in the case of Securities represented by Private Placement Definitive Securities, mailed to their registered addresses appearing in the Private Placement Register;
 - (vi) in the case of Registered Warrants or Registered Certificates in definitive form, mailed to their registered addresses appearing in the Register;
 - (vii) in the case of Swedish Dematerialised Securities, mailed by Euroclear Sweden in accordance with the SFIA Act and the Euroclear Sweden rules; or
 - (viii) in the case of Finnish Dematerialised Securities, mailed to a Holder on the address registered for such Holder in the Euroclear Finland Register maintained by Euroclear Finland in accordance with the rules of Euroclear Finland; and
- (b) for so long as the Securities are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority (in the case of Italian Dematerialised Securities that are Italian Listed Securities, such notices shall be published by Borsa Italiana S.p.A.). If the Securities are listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or the Official List of the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, 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.

11. EXPENSES AND TAXATION

- 11.1 A Holder must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement (in the case of Warrants or Exercisable Certificates) or redemption (in the case of Certificates) of the Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Security Expenses**") relating to such Securities as provided above.
- 11.2 The Issuer shall deduct from amounts payable or from assets deliverable to Holders all Related Expenses, not previously deducted from amounts paid or assets delivered to Holders, as the Calculation Agent shall in its sole and absolute discretion determine are attributable to the Securities.

For the avoidance of doubt, the Issuer shall not be liable for any Related Expenses and Holders shall be liable to pay the Related Expenses attributable to their Securities.

"Expenses" means Security Expenses and any Related Expenses.

"Related Expenses" means (a) all present, future, prospective, contingent or anticipated Taxes which are (or may be) or were (or may have been) withheld or payable under the laws, regulations or administrative practices of any state (or any political sub-division or authority thereof or therein) and (b) any other present, future, or contingent expenses (including without limitation, any applicable depositary charges, transaction charges, issue registration, securities transfer or other expenses) which are (or may be) or were (or may have been) payable, in each case in respect of or in connection with:

- (a) the issue, transfer or enforcement of the Securities;
- (b) any payment (or delivery of assets) to Holders;
- (c) a person or its agent's assets or any rights, distributions of dividends appertaining to such assets (had such an investor (or agent) purchased, owned, held, realised, sold or otherwise disposed of assets) in such a number as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate as a hedge or related trading position in connection with the Securities; or
- (d) any of the Issuer's (or any Affiliates') other hedging arrangements in connection with the Securities.

"Taxes" means taxes, levies, imposts, duties, deductions, withholdings, assessments or other charges (including any stamp, registration or transfer tax, duty or other charge or tax on income, payments (or delivery of assets), profits or capital gains) together with any interest, additions to tax or penalties.

12. FURTHER ISSUES

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

13. SUBSTITUTION OF THE ISSUER OR THE GUARANTOR

13.1 Except in the case of U.S. Securities, 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 Securities any company (the **"Substitute"**), being the Issuer or any other company, subject to:

- (a) where the Substitute is not BNPP, BNPP unconditionally and irrevocably guaranteeing in favour of each Holder the performance of all obligations by the Substitute under the Securities;
- (b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Substitute becoming party to the Agency Agreement (unless the Substitute is already a party to the Agency Agreement) with any appropriate consequential amendments, as if it had been an original party to it;
- (d) each stock exchange on which the Securities are listed having confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the

case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities; and
- (f) the Issuer having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

13.2 Where the Issuer is BNPP B.V., BNPP or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as guarantor in respect of the Securities any company (the "**Substitute Guarantor**"), being BNPP or any other company, subject to:

- (a) the creditworthiness of the Substitute Guarantor at such time being at least equal to the creditworthiness of BNPP (or of any previous substitute under this Condition), as determined by the Calculation Agent in its sole and absolute discretion by reference to, inter alia, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and/or Moody's Investors Service Ltd. and/or Fitch Ratings Limited, or any successor rating agency or agencies thereto, to the Substitute Guarantor or, as the case may be, to BNPP (or to any previous substitute under this Condition);
- (b) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Securities in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Holder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Guarantor had been named in these Terms and Conditions, the Documents and the Agency Agreement as the guarantor in respect of the Securities in place of BNPP (or of any previous substitute under this Condition);
- (c) the Substitute Guarantee and the Documents having been delivered to BNP Paribas Securities Services, Luxembourg Branch to be held by BNP Paribas Securities Services, Luxembourg Branch for so long as any Securities remain, in the case of Warrants, unexercised or, in the case of Certificates, outstanding and for so long as any claim made against the Substitute Guarantor or the Issuer by any Holder in relation to the Securities, the Substitute Guarantee or the Documents shall not have been finally adjudicated, settled or discharged;
- (d) each stock exchange on which the Securities are listed having confirmed that following the proposed substitution of the Substitute Guarantor (or of any previous substitute under this Condition) it will continue to list the Securities and in the case of Swedish Dematerialised Securities, Euroclear Sweden, or in the case of Finnish Dematerialised Securities, Euroclear Finland, has consented to such substitution (such consent not to be unreasonably withheld or delayed);

- (e) if appropriate, the Substitute Guarantor having appointed a process agent as its agent in England (in the case of English Law Securities) or France (in the case of French Law Securities) to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Securities or the Substitute Guarantee; and
- (f) BNPP (or any previous substitute under this Condition) having given at least 30 days' prior notice of the date of such substitution to the Holders in accordance with Condition 10.

14. GOVERNING LAW

14.1 English Law Securities

- (a) The English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee and any non-contractual obligations arising out of or in connection with the English Law Securities (including Swedish Dematerialised Securities, Italian Dematerialised Securities, Swiss Securities and Finnish Dematerialised Securities), the English Law Agency Agreement and the English Law Guarantee are governed by, and shall be construed in accordance with, English law. Notwithstanding this, (i) with respect to Finnish Dematerialised Securities, the registration and transfer of the Finnish Dematerialised Securities in Euroclear Finland's system for the registration of financial instruments shall be governed by, and shall be construed in accordance with, Finnish law and (ii) with respect to Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli shall be governed by, and shall be construed in accordance with, Italian law.
- (b) This Condition is for the benefit of the Holders of English Law Securities 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 Securities, the English Law Agency Agreement and the English Law Guarantee (including any disputes relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law 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 (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the English Law Securities, the English Law Agency Agreement and the English Law Guarantee). Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this Condition 14.1 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.
- (c) 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 Securities 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 Guarantor agrees to appoint a substitute process agent and to notify the Holders of English Law Securities of such appointment. Nothing in these provisions shall affect the right to serve process in any other manner permitted by law.

14.2 French Law Securities

The French Law Securities, the French Law Agency Agreement and the French Law Guarantee are governed by, and construed in accordance with, French law, and any action or proceeding in relation thereto ("**Proceedings**") shall be submitted to the jurisdiction of the competent courts in Paris within the jurisdiction of the Paris Court of Appeal (Cour d'Appel de Paris). Nothing in this Condition 14.2 shall limit the right of the Holders to take Proceedings against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions. BNPP B.V. elects domicile at the registered office of BNP Paribas currently located at 16 boulevard des Italiens, 75009 Paris.

15. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

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

- 15.1 In respect of Debt Securities any reference in this Condition 15 to "Share" and "Share Company" shall be deemed to be references to "Debt Instruments" and "Debt Instrument Issuer" respectively in respect of such Debt Securities.

"Additional Disruption Event" means each of Change in Law and Hedging Disruption, unless specified otherwise in the applicable Final Terms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in Law" means that, on or after the Trade Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), any relevant hedge position relating to a Commodity or Commodity Index (in the case of Commodity Securities) or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Securities in issue or in holding, acquiring or disposing of any Hedge;

"Currency Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or any Qualified Investor (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt

Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

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

"Force Majeure Event" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates or any Qualified Investor, of all or substantially all of its assets in the Local Currency jurisdiction;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract on any

Commodity or, in the case of a Commodity Index, Index Component (in the case of Commodity Securities) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Index Securities relating to a Custom Index, any relevant hedge positions relating to an Index, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging;

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

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or a Qualified Investor to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Force Majeure Event, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow and/or Stop-Loss Event, in each case if specified in the applicable Final Terms;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent.

15.2 If Additional Disruption Events are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer in its sole and absolute discretion may take the action described in (a) or, if applicable, (b), (c), (d) or (e), as the case may be, below:

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment;
- (b) in the case of Warrants, cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10;
- (c) in the case of Certificates,
 - (i) unless Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified in the applicable Final Terms, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

- (ii) if Delayed Redemption on Occurrence of Additional Disruption Event and/or Optional Additional Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Additional Disruption Amount**") as soon as practicable following the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event (the "**Calculated Additional Disruption Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount; or
- (d) in the case of Index Securities linked to a Custom Index, the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar formula for and method of calculation as the Custom Index within twenty (20) Scheduled Custom Index Business Days of the occurrence of the relevant Additional Disruption Event or Optional Additional Disruption Event and, upon selection of such successor index (the "**Successor Index**"), the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the Holders in accordance with Condition 10 and such index shall become the Successor Index and deemed to be a "Custom Index" for the purposes of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the substitution. Such substitution and any relevant adjustment to the Terms and Conditions and/or the applicable Final Terms will be deemed to be effective as of the date selected by the Calculation Agent in its sole and absolute discretion which may, but need not be the date on which the relevant Additional Disruption Event or Optional Additional Disruption Event occurred; or
- (e) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

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

where:

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

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

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

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

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

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

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates) in accordance with Condition 5.1 and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate pro rata portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, except in the case of U.S. Securities (in which case another price or prices will be specified in the applicable Final Terms), the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or in the case of Warrants, if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

For the purposes hereof:

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

- 15.3 Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

16. KNOCK-IN EVENT AND KNOCK-OUT EVENT

This Condition 16 applies to Index Securities, Share Securities, ETI Securities, Commodity Securities, Currency Securities and Futures Securities only.

- 16.1 If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 16.2 If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 16.3 In respect of Index Securities, Share Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Custom Index Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Custom Index Securities, a Custom Index Disruption Event is occurring, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".
- 16.4 In respect of Commodity Securities or Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Commodity Disrupted Day or a Disrupted Day, as applicable, then, unless otherwise specified in the applicable Final Terms, such

Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

- 16.5 In respect of Securities other than Custom Index Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event or (c) in the case of Commodity Securities, a Market Disruption Event, in each case occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Commodity Securities or Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date".

16.6 Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

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

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

"Knock-in Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

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

"Knock-in Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of

Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

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

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

"Knock-out Event" means:

- (a) (in respect of a single Underlying Reference) that the Level determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (b) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable, (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms;

"Knock-out Level" means the level specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Securities other than Commodity Securities or Custom Index Securities), a Commodity Business Day (in the case of Commodity Securities) or a Custom Index Business Day (in the case of Custom Index Securities), the next following Scheduled Trading Day, Commodity Business Day or Custom Index Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

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

"Level" means, for the purposes of this Condition 16, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities the level of the relevant Underlying Reference (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged);

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);
- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption) and Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks);
- (f) in the case of Currency Securities, Currency Security Condition 2 (Disruption Events) and Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future); and

"Underlying Reference" means, for the purposes of this Condition 16, each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

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

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Security Agents shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

"Treaty" means the Treaty on the Functioning of the European Union, as amended.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. TERMS APPLICABLE TO WARRANTS ONLY

Conditions 20 to 26 apply to Warrants only.

20. DEFINITIONS (WARRANTS)

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 23, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified in the applicable Final Terms, is automatically exercised (as more fully set out in Condition 23);

"Averaging Date" means, in respect of an Actual Exercise Date:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such

Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (A) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;
 - (B) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below; and
 - (C) where the Warrants are Debt Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

- (b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply;

"Cash Settlement Amount" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, unless otherwise specified in the applicable Final Terms;

"English Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by English law;

"Entitlement" means in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) (including Expenses as defined in Condition 11) rounded down as provided in Condition 24.3, as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"Expiration Date" means the last day of the Exercise Period;

"Finnish Dematerialised Warrants" means Warrants in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

"French Law Warrants" means the Warrants specified in the applicable Final Terms as being governed by French law;

"Italian Dematerialised Warrants" means Warrants issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Warrants" means Warrants which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date";

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Settlement Date" means, unless specified otherwise in the applicable Final Terms:

(a) in relation to Cash Settled Warrants:

(i) (other than in respect of Commodity Securities or Inflation Index Securities) in relation to each Actual Exercise Date, (A) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Valuation Date" below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, ETI Interest, Debt Instrument, Fund Share or Future, as the case may be, or (B) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments, Fund Securities relating to a Basket of Fund Shares or Futures Securities relating to a basket of Futures and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, ETI Interests, Debt Instruments, Fund Shares or Futures, as the case may be, being adjusted as set out in the definition of "Averaging Date" above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share, ETI Interest, Debt Instrument, Commodity or Commodity Index, Fund Share or Future, as the case may be; or

(ii) in respect of Commodity Securities or Inflation Index Securities, the date as specified in the applicable Final Terms; and

(b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms;

"Swedish Dematerialised Warrants" means Warrants in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Warrants" means Warrants in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Swiss Materialised Warrants" means Warrants represented by a permanent global warrant which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary;

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date or another Observation Date does not or is deemed not to occur;

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Instruments or Futures Securities, unless otherwise specified in the applicable Final Terms, the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (B) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
 - (ii) where the Warrants are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share,

ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (B) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

(b) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) if not set out in the applicable Final Terms, in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (i) for the purposes of determining whether a Market Disruption Event has occurred (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
- (c) if not set out in the applicable Final Terms, in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities, unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may

be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

21. FORM OF WARRANTS

English Law Warrants (other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants, Italian Dematerialised Warrants and Swiss Dematerialised Warrants) are represented by (i) a permanent global warrant (the "**Permanent Global Warrant**"), (ii) a Rule 144A Global Warrant (as defined below), (iii) a Regulation S Global Warrant (as defined below), (iv) a registered global warrant (the "**Registered Global Warrant**") or (v) a warrant in definitive registered form (a "**Private Placement Definitive Warrant**"), as specified in the applicable Final Terms. Except as provided herein, no Warrants in definitive form will be issued.

English Law Warrants that are Swedish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Finnish Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Italian Dematerialised Warrants will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Warrants will not be issued in definitive form.

English Law Warrants that are Swiss Materialised Warrants will be represented by a permanent global warrant which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global warrant being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Warrants that are Swiss Dematerialised Warrants will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Warrants will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Warrants will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Warrants are eligible for sale in the United States ("**U.S. Warrants**") (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 Warrants sold in the United States to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

("Rule 144A") under the Securities Act ("**Rule 144A Warrants**") will be represented by one or more Rule 144A global warrants (each, a "**Rule 144A Global Warrant**"), (B) the Warrants 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 Warrants, (C) the Warrants sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Warrant or in the form of a Private Placement Definitive Warrant, as may be set out in any applicable U.S. wrapper to the Base Prospectus and (D) in either such case, the Warrants sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will be represented by one or more Regulation S global warrants (each, a "**Regulation S Global Warrant**"). References herein to a "**Clearing System Global Warrant**" means, as the context so requires, a Rule 144A Global Warrant, a Regulation S Global Warrant or the Permanent Global Warrant, representing the Warrants and Warrants represented by a Clearing System Global Warrant are referred to herein as "**Clearing System Warrants**".

In the event that the Final Terms does not specify that Warrants are eligible for sale in the United States or to U.S. persons, the Warrants offered and sold outside the United States to non-U.S. persons under in reliance on Regulation S will be represented by a Regulation S Global Warrant, a Permanent Global Warrant or a Registered Global Warrant, as the case may be.

In the event that the Warrants are constituted by a Clearing System Global Warrant other than a Rule 144A Global Warrant, the Clearing System Global Warrant will be deposited with a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System or (in the case of English Law Warrants held through Euroclear France) with Euroclear France, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. Warrants represented by a Rule 144A Global Warrant 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

In the event that the Warrants are constituted by a Registered Global Warrant (such Warrants being hereafter referred to as "**Registered Warrants**"), the Registered Global Warrant will be held by the Registrar on behalf of the holders.

Interests in a Rule 144A Global Warrant and a Regulation S Global Warrant may be exchanged for interests in the other Global Warrants and for Private Placement Definitive Warrants and Private Placement Definitive Warrants may be exchanged for an interest in a Rule 144A Global Warrant or Regulation S Global Warrant only as described herein. Interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant may not be exchanged for interests in a Registered Global Warrant and interests in a Registered Global Warrant may not be exchanged for interests in a Clearing System Global Warrant or a Private Placement Definitive Warrant.

Each Clearing System Global Warrant and the Registered Global Warrant is referred to in these Terms and Conditions as a "**Global Warrant**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Warrant.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if DTC notifies BNPP that it is unwilling or unable to continue as a depositary for that Global

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

French Law Warrants are issued in dematerialised form (*au porteur*) (such Warrants hereinafter also referred to as "**Clearing System Warrants**"). 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 Warrants.

22. TYPE (WARRANTS)

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**"), Registered Warrants or such other type as may be specified in the applicable Final Terms, in the case of Cash Settled Warrants whether automatic exercise ("**Automatic Exercise**") applies to the Warrants, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Finnish Dematerialised Warrants, they will be European Style Warrants and Cash Settlement and Automatic Exercise will apply.

If the Warrants are Italian Dematerialised Warrants they will be European Style Warrants or American Style Warrants and Cash Settlement and Automatic Exercise will apply.

23. TITLE AND TRANSFER OF REGISTERED WARRANTS

The Issuer shall cause to be kept at the principal office of the Registrar, a register (the "**Register**") on which shall be entered the names and addresses of all holders of the Registered Warrants, the number or amount, as the case may be, and type of the Warrants held by each Holder and details of all transfers of the Warrants.

Each person who is for the time being shown in the Register as the holder of a particular amount of Registered Warrants (each a "**Holder**") shall (except as otherwise required by law) be treated as the absolute owner of such number or amount, as the case may be, of such Warrants for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person.

Subject as provided below, title to the Registered Warrants will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

A Registered Warrant may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a "**Transfer Certificate**") in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 15 to the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the Registered Warrants as the Holder of the Registered Warrant specified in the form of transfer.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Warrants and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

24. EXERCISE RIGHTS (WARRANTS)

24.1 Exercise of Warrants

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Warrants held through Euroclear France ("**Euroclear France Warrants**") or Warrants held through Euroclear Netherlands ("**Euroclear Netherlands Warrants**"):

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m. (Local Time) to the relevant Clearing System or to the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), and the copy thereof is received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing

System or, as the case may be, the relevant Account Holder, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) if the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the New York Security Agent with a copy thereof received by the Principal Security Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the New York Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m. on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) (I) if the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Tokyo time, to the Registrar and a copy thereof so received by the Principal Security Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Tokyo time, on the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is delivered to the Registrar, or if the copy thereof is received by the Principal Security Agent, in each case, after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day which next Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been received in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) if the Warrants are Physical Delivery Warrants, in the case of Private Placement Definitive Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, shall be automatically exercised on the Expiration Date and the provisions of Condition 25.9 shall apply.

The Business Day during the Exercise Period immediately succeeding the Business Day in New York on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the Definitive Security Agent with a copy thereof received by the Principal Security Agent or if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the Definitive Security Agent, or if the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice will be deemed to have been delivered on the next Business Day in New York and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Expiration Date shall (A) if (I) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (II) the Warrants are Physical Delivery Warrants, become

void or (B) if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Milan time on the Expiration Date shall be automatically exercised on the Expiration Date.

The Exercise Business Day during the Exercise Period on which an Exercise Notice (an "**Exercise Notice**") in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Holder prior to 10.00 a.m. (Milan time) to the Italian Security Agent, or if the Warrants are automatically exercised, the Expiration Date is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the Italian Security Agent, in each case, after 10.00 a.m. (Milan time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered to the Italian Security Agent at or prior to 10.00 a.m. (Milan time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants and such Warrants are automatically exercised on the Expiration Date, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

Clearing System Warrants

The following provisions apply to Clearing System Warrants held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m. (Local Time) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

The following provisions apply to Rule 144A Global Warrants held by a Custodian on behalf of DTC:

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Registered Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall become void. If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 10.00 a.m., Tokyo time, on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Private Placement Definitive Warrants

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 25, at or prior to 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 25.9 shall apply.

Swedish Dematerialised Warrants

If the Warrants are Swedish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Finnish Dematerialised Warrants

If the Warrants are Finnish Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date.

Italian Dematerialised Warrants

If the Warrants are Italian Dematerialised Warrants, the Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraph.

If the Warrants are Italian Dematerialised Warrants and Italian Listed Warrants, prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Holder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Holder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

24.2 Cash Settlement

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject, in the case of Warrants represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by Rule 144A Global Warrants and Private Placement Definitive Warrants, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal unless otherwise specified in the applicable Final Terms to:

- (a) where Averaging is not specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;
 - (ii) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and
 - (iii) if such Warrants are not Call Warrants or Put Warrants, settlement will be as specified in the applicable Final Terms;
- (b) where Averaging is specified in the applicable Final Terms:
 - (i) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity;

(ii) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Securities only, the nominal amount and divided by, in the case of Warrants in respect of which a Parity is specified in the applicable Final Terms, such Parity; and

(iii) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be. In such cases, the formula for determining the Cash Settlement Amount may include a deduction for sales tax in the manner specified in the applicable Final Terms.

24.3 Physical Settlement

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject, in the case of Warrants, represented by a Clearing System Global Warrant, other than a Rule 144A Global Warrant, or a Registered Warrant, to certification as to non-U.S. beneficial ownership, and, in the case of Warrants represented by a Rule 144A Global Warrant or a Private Placement Definitive Warrant, to such certifications as to compliance with U.S. securities laws as the Issuer shall require or as shall be set out in the applicable Final Terms, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

Following exercise of a Share Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 25.

Commodity Securities shall not be Physical Delivery Warrants.

24.4 General

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "**exercise**", "**due exercise**" and related expressions shall be construed to apply to any such Cash Settled Warrants which are automatically exercised in accordance with the above provisions.

All references in this Condition to "**Luxembourg or Brussels time**" or "**New York time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

25. EXERCISE PROCEDURE (WARRANTS)

25.1 Exercise Notice in respect of Clearing System Warrants

Subject as provided in Condition 25.9, Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System and Euroclear France Warrants or Euroclear Netherlands Warrants, may only be exercised by the delivery, or the sending by fax, of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) and the relevant Security Agents during normal office hours) to the relevant Clearing System or, as the case may be, the relevant Account Holder, with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

Subject as provided in Condition 25.9, Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC may only be exercised by the delivery by facsimile of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents) to the New York Security Agent with a copy to the Principal Security Agent, in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) to be debited with the Warrants or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or in the case of Warrants represented by

a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's DWAC function;

- (iv) (A) specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (v) (A) include an undertaking to pay all Security Expenses, and an authority to the relevant Clearing System or, as the case may be, the relevant Account Holder to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at the relevant Clearing System or as the case may be, the relevant Account Holder or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and to pay such Security Expenses and/or to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's securities account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be debited with the Warrants being exercised or, in case of Warrants represented by a Rule 144A Global Warrant

held by a Custodian on behalf of DTC, specify the designated account at DTC to be debited with the Warrants being exercised;

- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or, as the case may be, the relevant Account Holder to debit on or before the Settlement Date the Holder's securities account with the Warrants being exercised or Units, as the case may be, being exercised or in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, irrevocably instruct the New York Security Agent to exercise the Warrants or Units, as the case may be, debited to the account of the Holder and credited to the account of the New York Security Agent by means of DTC's Deposit and Withdrawal at Custodian, or "DWAC", function;
- (iv) irrevocably instruct the relevant Clearing System or, as the case may be, the relevant Account Holder to debit on the Actual Exercise Date a specified account of the Holder with such Clearing System or Account Holder with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), or, in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, contain an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable), to the account of the New York Security Agent on the Actual Exercise Date;
- (v) include an undertaking to pay all Security Expenses and (A) in the case of Warrants represented by a Clearing System Global Warrant held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or a Euroclear France Warrant, 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 at the relevant Clearing System or at the relevant Account Holder in respect thereof and to pay such Security Expenses, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, an authority to the New York Security Agent to debit a specified account of the Holder in respect thereof and to pay such Security Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and (A) specify the name and the number of the Holder's account 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 due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount, or (B) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, 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) in the case of Currency Securities only, specify the number of the Holder's account at the relevant Clearing System or, as the case may be, the relevant Account Holder to be credited with the amount due upon exercise of the Warrants or Units, as the case may be, or in the case of Currency Securities represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, specify the designated account at DTC to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;
- (viii) certify, in the case of Warrants represented by a Clearing System Global Warrant other than a Rule 144A Global Warrant, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, including in the case of Warrants represented by a Rule 144A Global Warrant, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as indicated and set out in the applicable Final Terms; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Clearing System or, as the case may be, the relevant Account Holder and the Security Agents during normal office hours.

If Condition 5.3(b) applies, unless the applicable Final Terms specifies otherwise, Holders will be required to deliver an Exercise Notice specifying appropriate information relating to the settlement of Cash Settled Warrants.

25.2 Exercise Notice in respect of Private Placement Definitive Warrants

Warrants may only be exercised by the delivery by facsimile of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Security Agents during normal office hours) to the Definitive Security Agent with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

- (ii) irrevocably instruct the Definitive Security Agent to remove from the Private Placement Register on or before the Settlement Date the Warrants being exercised;
- (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
- (iii) include an undertaking to pay BNPP the aggregate Exercise Prices in respect of such Warrant, or Units, as the case may be (together with any other amount payable), to the account of the Definitive Security Agent on the Actual Exercise Date;
- (iv) include an undertaking to pay all Security Expenses and an authority to the Definitive Security Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder in respect thereof;
- (v) 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 specify 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;
- (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;

- (vii) include an undertaking to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms; and
- (viii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Definitive Security Agent.

25.3 Exercise Notice in respect of Registered Warrants

The following provisions apply to Registered Warrants:

Warrants may only be exercised by the delivery in writing of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Registrar) to the Registrar with a copy to the Principal Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) specify the details of the account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iv) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("**Security Expenses**") and an authority to the Registrar to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (b) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) irrevocably instruct the Registrar to remove from the Register on or before the Settlement Date the Warrants being exercised;
 - (iii) include an undertaking to pay to the Issuer the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
 - (iv) include an undertaking to pay all Security Expenses;
 - (v) 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 specify the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer 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;
 - (vi) in the case of Currency Securities only, specify the details of the account to be credited with the amount due upon exercise of the Warrants;
 - (vii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property 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 exercise thereof; and
 - (viii) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (c) If Condition 5.3(b) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the Registrar.

25.4 Exercise Notice in respect of Italian Dematerialised Warrants

Warrants which are Italian Dematerialised Warrants may be exercised by the delivery or the sending by fax of a duly completed Exercise Notice to the Italian Security Agent in accordance with the provisions set out in Condition 24 and this Condition.

The Exercise Notice shall:

- (a) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (b) specify the number of the Holder's securities account with Monte Titoli to be debited with the Warrants;
- (c) irrevocably instruct Monte Titoli to debit on or before the Settlement Date, the specified securities account with the Warrants being exercised;
- (d) specify the number of the Holder's account to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
- (e) include an undertaking to pay or procure the payment of all Security Expenses, and an authority to the Italian Security Agent to deduct any amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit the specified account of the Holder; and
- (f) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and, where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America as required by BNPP or indicated and set out in the applicable Final Terms.

25.5 Verification of the Holder

In the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), upon receipt of an Exercise Notice, the relevant Clearing System (in the case of English Law Warrants) or the relevant Account Holder (in the case of French Law Warrants) shall verify that the person exercising the Warrants is the holder thereof according to the books of such Clearing System (in the case of English Law Warrants) or in the accounts of the relevant Account Holders (in the case of French Law Warrants). Subject thereto, the relevant Clearing System or, as the case may be, the relevant Account Holder will confirm to the Principal Security Agent the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Security 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 Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the English Law Warrants constituted by the relevant Clearing System Global Warrant, the Common Depositary will, on the instructions of, and on behalf of the Principal Security Agent, note such exercise on the Schedule to such Clearing System Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Registered Warrants, upon receipt of an Exercise Notice, the Registrar shall verify that the person exercising the Warrants is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Agent the series number and the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. The Registrar will on or before the Settlement Date remove from the Register the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Registered Global Warrant, the Registrar will note such exercise on the Schedule to the Registered Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, upon receipt of an Exercise Notice, the New York Security Agent shall verify that the person exercising the Warrants is the Holder according to the records of DTC. Subject thereto, the New York Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent will note such exercise on the Schedule to such Rule 144A Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of Private Placement Definitive Warrants, upon receipt of an Exercise Notice, the Definitive Security Agent shall verify that the person exercising the Warrants is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security Agent shall notify BNPP of the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount, or, as the case may be, the details for delivery of the Entitlement in respect of each Warrant or Unit being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by such Private Placement Definitive Warrant, the Holder will surrender such Private Placement Definitive Warrant and BNPP shall execute and the Definitive Security Agent shall authenticate and make available for delivery to the Holder a new Private Placement Definitive Warrant, in an amount equal to, and in exchange for, the unexercised portion of the Private Placement Definitive Warrant being surrendered. Notwithstanding any other provision set out herein, Private Placement Definitive Warrants may only be exercised in a notional amount of at least U.S. \$250,000, and the remaining unexercised portion thereof must be at least U.S. \$250,000.

In the case of Italian Dematerialised Warrants, upon receipt of an Exercise Notice, the Italian Security Agent shall verify that the person exercising the Warrants is the holder thereof according to the records of Monte Titoli. Subject thereto, Monte Titoli will confirm to the Italian Security Agent the series number and the number of Warrants being exercised and the account details for the payment of the Cash Settlement Amount. Upon such verification, the Italian Security Agent will inform the Issuer thereof. Monte Titoli will on or before the Settlement Date debit the securities account of the relevant Holder with the Warrants being exercised and accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised.

25.6 Settlement

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants other than Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Security Expenses.

If the Warrants are Swedish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Sweden on the fourth Business Day immediately prior to the Settlement Date (the "**Swedish Record Date**"). The Swedish Security Agent will pay the Cash Settlement Amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Settlement Date.

If the Warrants are Finnish Dematerialised Warrants, payment of the Cash Settlement Amount (if any) will be made to the persons registered as Holders in the register maintained by Euroclear Finland on the fifth trading day following the Valuation Date (the "**Finnish Record Date**"). The Finnish Security Agent will pay the Cash Settlement Amount on the third Business Day following the Finnish Record Date to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor (if any) or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the Warrants are Italian Dematerialised Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, by credit or transfer to the Holder's account at Monte Titoli for value on the Settlement Date less any Security Expenses. The Issuer or the Guarantor will be discharged by payment to, or to the order of, Monte Titoli in respect of the amount so paid. Each of the persons shown in the records of Monte Titoli as the holder of a particular amount of the Warrants must look solely to Monte Titoli for his share of each such payment so made to, or to the order of, Monte Titoli.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Security Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 24.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

25.7 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by (a) in the case of Clearing System Warrants (other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC), the relevant Clearing System (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants), (b) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, the New York Security Agent, (c) in the case of Private Placement Definitive Warrants, the

Definitive Security Agent, (d) in the case of Registered Warrants, the Registrar, in each case, in consultation with the Principal Security Agent or (e) in the case of Italian Dematerialised Warrants, the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Security Agent or the Issuer, as the case may be, immediately after being delivered or sent to the relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent, as the case may be, or, as the case may be, the relevant Account Holder as provided in Condition 25.1 above or the Registrar as provided in Condition 25.3 above, as the case may be, shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli 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.

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

If (i) the Warrants are Cash Settled Warrants and Automatic Exercise is not specified as applying in the applicable Final Terms or (ii) the Warrants are Physical Delivery Warrants, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 24.1(a), in the case of American Style Warrants, or Condition 24.1(b), in the case of European Style Warrants, shall become void.

The relevant Clearing System, the New York Security Agent or the Definitive Security Agent or the Italian Security Agent (in the case of English Law Warrants other than English Law Warrants held through Euroclear France) or the relevant Account Holder (in the case of Euroclear France Warrants or Euroclear Netherlands Warrants) or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Security Agent or the Issuer, as the case may be, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Security Agents, the Registrar 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.

25.8 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

25.9 Automatic Exercise

- (a) This Condition only applies if the Warrants are Cash Settled Warrants which are not Swedish Dematerialised Warrants, Finnish Dematerialised Warrants or Italian Dematerialised Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 24.1(a) or Condition 24.1(b).
- (b) Unless otherwise provided in the applicable Final Terms, no Exercise Notice is required to be submitted or any other action required to be taken (in the case of Clearing System Warrants other than Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC) by any relevant Holder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Holder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) Unless otherwise provided in the applicable Final Terms in order to receive the Cash Settlement Amount in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must (i) (A) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, deliver by facsimile a duly completed Exercise Notice to the New York Security Agent with a copy to the Principal Security Agent or (B) in the case of Private Placement Definitive Warrants, deliver by facsimile a duly completed Exercise Notice together with the relevant Private Placement Definitive Warrant to the Definitive Security Agent with a copy to the Principal Security Agent, on any Business Day in New York until not later than 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the day (the "**Cut-off Date**") falling 180 days after (I) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants, or (II) in the case of Registered Warrants, deliver in writing a duly completed Exercise Notice to the Registrar with a copy to the Principal Security Agent, on any Business Day until not later than 10.00 a.m., Tokyo time, on the Cut-off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 25.1(a), Condition 25.1(b), Condition 25.1(c), Condition 25.2(a), Condition 25.2(b), Condition 25.2(c), Condition 25.3(a), Condition 25.3(b) or Condition 25.3(c), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to the relevant Clearing System, the New York Security Agent, the Definitive Security Agent or, as the case may be, the relevant Account Holder, or in the case of Registered Warrants, the Registrar, and a copy thereof delivered to the Principal Security Agent is referred to in this Condition 25.9 as the "**Exercise Notice Delivery Date**", provided that, (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC, if the Exercise Notice is received by the New York Security Agent or the copy thereof is received by the Principal Security Agent, in each case, after 5.00 p.m., New York City time, on any Business Day in New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date, (b) in the case of Private Placement Definitive Warrants, if the Exercise Notice is received by the Definitive Security Agent or the copy thereof received by the Principal Security Agent after 5.00 p.m., New York City time, on any Business Day in

New York, such Exercise Notice shall be deemed to have been delivered on the next Business Day in New York, and the Business Day in New York immediately succeeding such next Business Day in New York shall be deemed to be the Exercise Notice Delivery Date and (iii) in the case of Registered Warrants, if the Exercise Notice is received by the Registrar or the copy thereof received by the Principal Security Agent after 10.00 a.m., Tokyo time, on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fifth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not, where applicable, so deliver an Exercise Notice in accordance with this Condition 25.9 prior to (a) in the case of Warrants represented by a Rule 144A Global Warrant held by a Custodian on behalf of DTC or Private Placement Definitive Warrants, 5.00 p.m., New York City time, on the Business Day in New York immediately preceding the Cut-off Date or (b) in the case of Registered Warrants, 10.00 a.m., Tokyo time, on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor, if any. For the avoidance of doubt, a Holder shall not be entitled to any payment, whether of interest or otherwise, in respect of the period from the Actual Exercise Date to the Settlement Date.

25.10 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, the Registrar or the Security Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor, if any, or the Agents shall under any circumstances be liable for any acts or defaults of the relevant Clearing System or, as the case may be, the relevant Account Holder in relation to the performance of its duties in relation to the Warrants.

26. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

26.1 American Style Warrants

This Condition 26.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of

the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

26.2 European Style Warrants

This Condition 26.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

27. TERMS APPLICABLE TO CERTIFICATES ONLY

Conditions 28 to 36 apply to Certificates only.

28. DEFINITIONS

"**Averaging Date**" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices (each as defined in Annex 1)), Share Securities, ETI Securities, Debt Securities, Fund Securities, Market Access Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:
 - (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
 - (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

(iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:

(A) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(i) of the definition of "Valuation Date" below;

(B) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket of ETI Interests or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (I) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of "Valuation Date" below; and

(C) where the Certificates are Debt Securities, Fund Securities or Market Access Securities, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms; or

(b) in the case of Commodity Securities, each date specified as such in the applicable Final Terms or, if any such date is not a Commodity Business Day, the immediately following Commodity Business Day unless, in the opinion of the Calculation Agent, any such day is a day on which a Market Disruption Event has occurred or is continuing, in which case the provisions of

Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) shall apply; or

- (c) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

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

- (a) where "Turbo Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (b) where "Turbo Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity; or
 - (ii) if a Knock-out Event has occurred, zero;
- (c) where "Turbo Pro Call Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Settlement Price minus the Strike Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero; or
- (d) where "Turbo Pro Put Certificate" is specified in the applicable Final Terms in respect of Cash Settled Certificates, then the Cash Settlement Amount shall be equal to:
 - (i) if no Knock-in Event has occurred, the Issue Price; or
 - (ii) (A) if a Knock-in Event has occurred and no Knock-out Event has occurred, (the Strike Price minus the Settlement Price) divided by the Parity, and (B) if a Knock-in Event and a Knock-out Event have each occurred, zero.

The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as may be specified in the applicable Final Terms.

"Cut-off Date" means the date specified as such in the applicable Final Terms or if not so set out (a) in respect of Physical Delivery Certificates that are not Credit Certificates, the third Business Day

immediately preceding the Redemption Date or (b) in respect of Credit Certificates, the first Business Day following receipt of the relevant Notice of Physical Settlement;

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

"Entitlement" means in relation to a Physical Delivery Certificate (other than a Credit Certificate), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 11 rounded down as provided in Condition 35.2(d) as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Finnish Dematerialised Certificates" means Certificates in registered, uncertified and dematerialised book-entry form in accordance with the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)) accepted by Euroclear Finland for clearing and registration in the Euroclear Finland System;

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

"Italian Dematerialised Certificates" means Exercisable Certificates issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions;

"Italian Listed Certificates" means Exercisable Certificates which are listed and admitted to trading on the electronic "Securitized Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A. or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by EuroTLX Sim S.p.A., as the case may be;

"Observation Date" means:

- (a) in the case of Certificates other than Open End Certificates, each date specified as an Observation Date in the applicable Final Terms. The provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date"; and
- (b) in the case of Open End Certificates, the date designated as such by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with Condition 10 at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Open End Certificate" means a Certificate in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be redeemed on a date determined by the Issuer in its sole and absolute discretion, subject to the other provisions of these Terms and Conditions;

"Reference Banks" means the five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely

connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the euro-zone);

"Strike Price" means the price specified as such in the applicable Final Terms;

"Swedish Dematerialised Certificates" means Certificates in registered, uncertificated and dematerialised book-entry form in accordance with the SFIA Act accepted by Euroclear Sweden for clearing and registration in the Euroclear Sweden System;

"Swiss Dematerialised Certificates" means Certificates in uncertificated and dematerialised form which are entered into the main register (*Hauptregister*) of SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other such intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

"Swiss Materialised Certificates" means Certificates represented by a permanent global certificate which will be deposited by the Swiss Security Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any other intermediary, the **"Intermediary"**) and entered into the accounts of one or more participants of the Intermediary.

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

"Valuation Date" means:

- (a) in the case of Index Securities (other than Index Securities relating to a Custom Index or Basket of Custom Indices), Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, the Interest Valuation Date and/or the Redemption Valuation Date (subject to paragraph (b) below in respect of Open End Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Certificates are Index Securities relating to a single Index, Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
- (A) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange

traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of Share Securities, ETI Securities, Debt Securities, or Futures Securities, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on the last such consecutive Scheduled Trading Day; or

(ii) where the Certificates are Index Securities relating to a Basket of Indices, Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

(A) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

(B) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day,

(b) in the case of Open End Certificates and for the purposes of the "Provisions relating to Valuation on Redemption" set out in the applicable Final Terms, the date designated as the Redemption Valuation Date by the Issuer in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Holders in accordance with

Condition 13 at the latest on the tenth (10th) Business Day preceding the contemplated Redemption Valuation Date; and

(c) in the case of Commodity Securities, the Final Pricing Date,

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Interest Valuation Time or the Valuation Time, as the case may be, specified in the applicable Final Terms; or
- (b)
 - (i) in the case of Index Securities relating to a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) in the case of Index Securities relating to Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Interest Valuation Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, then the Interest Valuation Time or the Valuation Time, as the case may be, shall be such actual closing time.

29. FORM OF CERTIFICATES

English Law Certificates (other than Swedish Dematerialised Certificates, Finnish Dematerialised Certificates, Italian Dematerialised Certificates and Swiss Dematerialised Certificates) are represented by (i) a permanent global certificate, (ii) a Rule 144A Global Certificate (as defined below), (iii) a Regulation S Global Certificate (as defined below), (iv) Private Placement Definitive Certificates (as defined below) or (v) certificates in registered form ("**Registered Certificates**"), as specified in the applicable Final Terms. Except as provided herein, no Certificates in definitive form will be issued.

English Law Certificates that are Swedish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act 1998 (Sw.: Lag (1998:1479) om kontoföring av finansiella instrument) (the "**SFIA Act**"). Swedish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Finnish Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and with the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)). Finnish Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Italian Dematerialised Certificates will be issued in registered, uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions. Italian Dematerialised Certificates will not be issued in definitive form.

English Law Certificates that are Swiss Materialised Certificates will be represented by a permanent global certificate which will be deposited by the Swiss Security Agent with the Intermediary. Upon the permanent global certificate being deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Materialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

English Law Certificates that are Swiss Dematerialised Certificates will be issued in uncertificated and dematerialised form and will be entered into the main register (*Hauptregister*) of the Intermediary. Upon being registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Swiss Dematerialised Certificates will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Swiss Dematerialised Certificates will not be issued in definitive form.

The terms and conditions of the Swiss Securities will be set forth in the applicable Final Terms.

In the event that the applicable Final Terms specify that Certificates are eligible for sale in the United States ("**U.S. Certificates**") (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**"), (C) the Certificates sold in the United States by BNPP B.V. to QIBs who are QPs will be represented by a Rule 144A Global Certificate or in the form of Private Placement Definitive Certificates as may be indicated in any applicable U.S. wrapper to the Base Prospectus and (D) in any such case, the Certificates sold outside the United States to non-U.S. persons in reliance on 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 "**Clearing System Global Certificate**" means, as the context so requires, a Rule 144A Global Certificate, a Regulation S Global Certificate or the Permanent Global Certificate, representing the Certificates and Certificates represented by a Clearing System Global Certificate are referred to herein as "**Clearing System Certificates**".

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 in reliance on Regulation S will be represented by a Regulation S Global Certificate or a Permanent Global Certificate or will be Registered Certificates, as the case may be.

In the event that the Certificates are constituted by a Clearing System Global Certificate other than a Rule 144A Global Certificate, the Clearing System Global Certificate will be deposited with (i) a depositary (the "**Common Depositary**") common to Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant Clearing System, (ii) in the case of English Law Certificates held through Euroclear France,

with Euroclear France, or (iii) in the case of Certificates to be issued and cleared through Monte Titoli, other than Italian Dematerialised Certificates, Monte Titoli, in each case in accordance with the rules and regulations of the relevant Clearing System(s). If the Clearing System specified in the Final Terms is Iberclear, the term Common Depositary and/or Custodian shall be deemed to refer to the foreign custodian (*Entidad Custodia*) or Iberclear Participant (*Entidad Miembro de Iberclear*), as the case may be, appointed in accordance with the rules and regulations of Iberclear. 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 Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System.

Registered Certificates will be offered and sold in reliance on Regulation S and will be sold to non-U.S. persons outside the United States. Registered Certificates will initially be represented by a global certificate in registered form (a "**Registered Global Certificate**"). The Registered Global Certificate will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or any other relevant Clearing System.

Interests in a Registered Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Certificates only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that Euroclear and Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 10 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other relevant Clearing System, as the case may be, (acting on the instructions of any holder of an interest in such Registered Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Rule 144A Global Certificate and a Regulation S Global Certificate may be exchanged for interests in the other Global Certificates and for Private Placement Definitive Certificates and Private Placement Definitive Certificates may be exchanged for an interest in a Rule 144A Global Certificate or Regulation S Global Certificate only as described herein. Interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate may not be exchanged for interests in a Registered Certificate and interests in a Registered Certificate may not be exchanged for interests in a Clearing System Global Certificate or a Private Placement Definitive Certificate.

Each of the Clearing System Global Certificate and the Registered Global Certificate is referred to in these Terms and Conditions as a "**Global Certificate**". The applicable Final Terms (or the relevant provisions thereof) will be attached to such Global Certificate.

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 depositary for that Global Certificate or if at any time DTC ceases to be a "clearing agency" registered under the Exchange Act as amended, and a successor depositary 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 Security Agent.

French Law Certificates are issued in dematerialised form (*au porteur*) (such Certificates hereinafter also referred to as "**Clearing System Certificates**"). 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.

30. TYPE (CERTIFICATES)

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled Certificates**") or physical delivery ("**Physical Delivery Certificates**"), whether Cash Settled Certificates are redeemable in instalments and whether Averaging ("**Averaging**") will apply to the Certificates. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

If the Certificates are Swedish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Finnish Dematerialised Certificates, they will be Cash Settled Certificates.

If the Certificates are Italian Dematerialised Certificates, they will be Cash Settled Certificates and Automatic Exercise will apply.

The applicable Final Terms will indicate if the Certificates are exercisable, if so whether Multiple Exercise applies and the relevant Exercise Date(s).

31. TITLE AND TRANSFER OF REGISTERED CERTIFICATES

Subject as provided below, title to the Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement.

For so long as the Certificates are represented by a Registered Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates for all purposes other than with respect to the payment of principal and/or interest with respect to such Certificates for which purpose the registered holder of the relevant Registered Global Certificate shall be treated by the Issuer, the Guarantor (if any) and the Security Agents as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Registered Global Certificate (and the expressions "**Holder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

Transfers of beneficial interests in Registered Global Certificates will be effected by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf

of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Certificate in definitive form may be transferred in whole or in part. In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Certificate for registration of the transfer of the Registered Certificate (or the relevant part of the Registered Certificate) at the specified office of the Registrar or any Security Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Security Agent and (ii) the Registrar or, as the case may be, the relevant Security Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 15 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Security Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Security Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Certificate in definitive form of a like amount to the Registered Certificate (or the relevant part of the Registered Certificate) transferred. In the case of the transfer of part only of a Registered Certificate in definitive form, a new Registered Certificate in definitive form in respect of the balance of the Registered Certificate not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

32. INTEREST (CERTIFICATES)

If so specified in the applicable Final Terms the Certificates will pay interest, such interest to be calculated on the basis of a fixed rate of interest ("**Fixed Rate Certificates**"), a floating rate of interest ("**Floating Rate Certificates**") or by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Futures or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Interest Certificates**");

(a) Interest on Fixed Rate Certificates

Each Fixed Rate Certificate pays interest calculated from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will accrue in respect of each Interest Period (which expressions shall in these Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the

Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Redemption Date. If an Interest Payment date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date. If a Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or an Interest Payment Date and (i) if there is no numerically corresponding day on the calendar month in which an Interest Period End Date or Interest Payment Date, as the case may be, should occur or (ii) if any Interest Period End Date or Interest Payment Date, as the case may be, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

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

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

Interest shall be calculated by applying the Rate of Interest to the Notional Amount of each Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Certificates and Linked Interest Certificates

(i) Interest, Interest Periods and Business Day Convention

Each Floating Rate Certificate and, subject to the provisions of Condition 32(c) and unless otherwise specified in the applicable Final Terms, each Linked Interest Certificate pays interest (or, if it is a Partly Paid Certificate, in accordance with Condition 32(e) in respect of each Interest Period (which expression shall in these

Terms and Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Interest Period End Date (each such latter date the "**Interest Period End Final Date**" for the relevant Interest Period)). For the purposes of this Condition 32(b), "**Interest Period End Date**" shall mean either: (A) the Interest Period End Date(s) in each year specified in the applicable Final Terms or (B) if no Interest Period End Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Period End Date or, in the case of the first Interest Period End Date, after the Interest Commencement Date.

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

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

- (A) in any case where Specified Periods are specified in accordance with Condition 32(b)(ii) below, the Floating Rate Convention, such Interest Period End Date or Interest Payment Date, as the case may be, (i) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of (iv) below shall apply *mutatis mutandis* or (ii) in the case of (ii) below, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Period End Date or Interest Payment Date, as the case may be, shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Period End Date or Interest Payment Date, as the case may be, occurred; or
- (B) the Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Period End Date or Interest Payment Date, as the case may be, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Period End Date or Interest Payment Date, as the case may be, shall be brought forward to the immediately preceding Business Day; or

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

(ii) Rate of Interest

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

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. and as amended and updated as at the Issue Date of the Certificates (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (I) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (II) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (iii), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(iv) AFB Determination

Where so specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the "**AFB Rate**") and in such amounts, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to foreign exchange and derivatives transactions (an "**AFB Agreement**"), as in effect on the date of issue of the Certificates, published by the *Association Française des Banques/Fédération Bancaire Française* and evidenced by a Confirmation (as defined in the AFB Agreement) with the holder of the relevant Certificate under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Principal Security Agent (as defined herein) was the Agent (as defined in the AFB Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the Interest Commencement Date was the Transaction Date;
- (D) the Notional Amount in respect of a Certificate was the Notional Amount;
- (E) the Interest Payment Dates were the Floating Amount Payment Dates; and
- (F) all other terms were as specified in the applicable Final Terms.

When the preceding sentence applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though determined under subparagraph (vi) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the AFB Agreement) determined by the Principal Security Agent in accordance with the preceding sentence; and
- III. the Principal Security Agent will be deemed to have discharged its obligations under subparagraph (vi) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(v) Screen Rate Determination

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

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

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the

purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subparagraph (a), no offered quotation appears or, in the case of subparagraph (b), fewer than three offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the Reference Rate (which will be the London inter-bank market, if the Reference Rate is LIBOR, or the Euro-zone inter-bank market, if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Certificates is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the

Rate of Interest in respect of such Certificates will be determined as provided in the applicable Final Terms.

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

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

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on each Certificate for the relevant Interest Period by applying the Rate of Interest to the Notional Amount of such Certificate and multiplying such sum by the Day Count Fraction specified in the applicable Final Terms and rounding the resultant figure to the nearest sub-unit (defined above) of the relevant Specified Currency, one half of such a sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Minimum and/or Maximum Interest Rate

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

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

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Rate of Interest, Interest Amount and Interest Payment Date in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest

Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Certificates are for the time being listed and to the Holders in accordance with Condition 10. For the purposes of the Terms and Conditions, the expression "**Amsterdam Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business in Amsterdam. The determination of each Interest Rate and Interest Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Day Count Fractions

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

- (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Interest Period End Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates that would occur in one calendar year;

"**Determination Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Determination Period**" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the Interest Period End Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Day Count Fraction is "unadjusted", the Interest Period and the Interest Amount payable on any date shall not, unless otherwise provided in the application Final Terms, be affected by the application of any Business Day Convention.

- (d) Interest on Linked Interest Certificates

In the case of Linked Interest Certificates the Rate of Interest and/or the Interest Amount shall be determined in the manner specified in the applicable Final Terms.

- (e) Interest on Partly Paid Certificates

In the case of Partly Paid Certificates interest will accrue as aforesaid on the paid-up amount of such Certificates and otherwise as specified in the applicable Final Terms.

(f) Accrual of Interest

Each Certificate (or in the case of the redemption of part only of a Certificate, that part only of such Certificate) will cease to bear interest (if any) from the date for its redemption or exercise, as the case may be, unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Certificate have been paid and/or all assets deliverable in respect of such Certificate have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Certificate has been received by the Principal Security Agent and/or all assets in respect of such Certificate have been received by any agent appointed by the Issuer to deliver such assets to Holders and notice to that effect has been given to the Holders in accordance with Condition 10.

33. PREMIUM AMOUNT (CERTIFICATES)

33.1 If so specified in the applicable Final Terms the Certificates will not bear or pay interest but will pay one or more premium amounts, each such premium amount representing an amount payable by the Issuer as compensation for, and in recognition of, the assumption of the risk that in certain circumstances the Cash Settlement Amount payable on redemption of the Certificates may be less than the Issue Price or even zero.

33.2 A premium amount may be a fixed amount, a variable amount and/or an amount calculated by reference to the performance of one or more Index, Share, ETI Interest, Debt Instrument, Currency, Commodity, Inflation Index, Fund Share, Future or any other underlying security or any combination thereof in the manner specified in the applicable Final Terms (such Certificates, "**Linked Premium Amount Certificates**").

33.3 Each Security will pay the Premium Amount on each Premium Amount Payment Date, provided that, if Automatic Early Redemption is specified as applicable in the applicable Final Terms, no Automatic Early Redemption Event has occurred on or prior to such Premium Amount Payment Date. If an Automatic Early Redemption Event has occurred, no Premium Amount will be paid on Premium Amount Payment Date.

33.4 The Premium Amount shall be paid as provided in Condition 35 (Payments).

33.5 Definitions relating to Premium Amount(s):

"**Premium Amount**" means, in respect of a Premium Amount Payment Date, an amount specified or calculated by the Calculation Agent on the basis set out, in either case in the applicable Final Terms; and

"**Premium Amount Payment Date**" means each date specified as such in the applicable Final Terms.

33.6 The Calculation Agent will cause each Premium Amount for each Premium Amount Payment Date to be notified to the Principal Security Agent, the Issuer and the Guarantor (such notifications to occur no

later than the Business Day following such determination), and (in the case of Certificates which are listed on Euronext Amsterdam and the rules of such stock exchange so require) Euronext Amsterdam and, if applicable, to any other stock exchange on which the relevant Certificates are for the time being listed. In addition, the Calculation Agent shall publish or cause to be published such Premium Amount in accordance with Condition 10 as soon as possible after their determination but in no event later than the fourth Amsterdam Business Day thereafter.

34. REDEMPTION (CERTIFICATES)

34.1 General

Unless the Certificates are Exercisable Certificates, subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate (other than a Credit Certificate) will be redeemed by the Issuer:

- (a) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (b) in the case of a Physical Delivery Certificate, subject as provided in Condition 5 and Condition 35, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the date falling on the fifth Business Day following the Valuation Date, unless specified otherwise in the applicable Final Terms relating to such Certificate (the "**Redemption Date**"). If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 5.1 above), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

The Certificates may also be subject to automatic early redemption upon the occurrence of an Automatic Early Redemption Event, as defined in and in accordance with the provisions of Condition 34 as specified in the applicable Final Terms.

34.2 Credit Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Credit Certificate will be redeemed by the Issuer by payment of the Cash Settlement Amount such redemption to occur on the Redemption Date specified in the applicable Final Terms subject as provided in Annex 11 (Additional Terms and Conditions for Credit Securities). If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any payment in respect of such delay.

34.3 Issuer Call Option

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

- (a) 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' (or such other period specified in the applicable Final Terms (the "**Notice Period**")) notice to the Holders in accordance with Condition 10 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 10; and

- (b) not less than 15 days (or such Notice Period specified in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the relevant Security Agent,

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

In the case of a partial redemption, the rights of Holders of Certificates represented by a Global Certificate, or Holders of Italian Dematerialised Certificates or Swedish Dematerialised Certificates or Finnish Dematerialised Securities will, unless otherwise provided in the applicable Final Terms, be governed by the standard procedures of Euroclear, Clearstream Luxembourg, Euroclear France, Euroclear Netherlands, DTC, Monte Titoli, Euroclear Sweden, Euroclear Finland, as applicable, or any relevant Clearing System (as the case may be). With respect to Certificates represented by Private Placement Definitive Certificates, the Definitive Security 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 10, 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 official list of Euronext Amsterdam ("**Euronext Amsterdam**") and admitted to trading on the regulated market of Euronext Amsterdam 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 Euronext Amsterdam (www.euronext.com) a notice specifying the aggregate nominal amount of Certificates outstanding.

34.4 Holder Put Option

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

If the Certificate is held outside DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands 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 any Security Agent or the Registrar at any time during normal business hours of such Registrar or Security 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 any Security 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 34.4, accompanied by the Certificate or evidence satisfactory to the Security 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 Security Agent concerned. If the Certificate is held through DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland 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 Security Agent concerned of such exercise in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System (which may include notice being given on his instruction by DTC, Euroclear or Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System or any common depositary for them to the Security Agent by electronic means) in a form acceptable to DTC, Euroclear and Clearstream, Luxembourg, Euroclear France, Euroclear Netherlands, Monte Titoli, Euroclear Sweden, Euroclear Finland and/or any other relevant Clearing System from time to time. In the case of Finnish Dematerialised Certificates, in order to exercise this option the Holder must transfer or procure the transfer of the relevant Certificates to the account designed by the Finnish Security Agent and procure that such account is blocked for further transfer on or prior to the Optional Redemption Date. Any Put Notice given by a Holder of any Certificate pursuant to this Condition 34.4 shall be irrevocable.

34.5 Redemption in Instalments

If the applicable Final Terms specify that the Certificates are Instalment Certificates, each Certificate will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

34.6 Redemption of Partly Paid Certificates

Partly Paid Certificates will be redeemed in accordance with the provisions set out in the applicable Final Terms.

34.7 Exercise of Certificates

If the Certificates are Cash Settled Certificates and Exercise of Certificates is specified as applicable in the applicable Final Terms, the Certificates (such Certificates "**Exercisable Certificates**") will be automatically exercised on the Exercise Date, or, if Multiple Exercise is specified as applicable in the applicable Final Terms, each Exercise Date subject as provided in the following paragraph and, in the case of Credit Certificates, to the provisions of Annex 11 (Additional Terms and Conditions for Credit Securities). Upon automatic exercise each Certificate entitles its Holder to receive from the Issuer the Cash Settlement Amount on the Exercise Settlement Date or, if Multiple Exercise is specified as applicable in the applicable Final Terms, the relevant Exercise Settlement Date.

If the Certificates are Italian Listed Certificates, prior to the Renouncement Notice Cut-off Time, as specified in the applicable Final Terms, on an Exercise Date, the Holder of a Certificate may renounce automatic exercise of such Certificate by the delivery or sending by fax of a duly completed Renouncement Notice (a "**Renouncement Notice**") in the form set out in the applicable Final Terms to the Italian Security Agent. Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the Italian Security Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, the Security Agents and the relevant Holder.

Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Italian Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Italian Security Agent.

34.8 Open End Certificates

If "Open End" is specified as applicable in the relevant Final Terms, the Redemption Date of such Open End Certificates will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer in its sole discretion, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Holders at the latest ten (10) Business Days prior to the contemplated date in accordance with Condition 10.

If a Certificate is an Open End Certificate, "Knock-in Event" and "Knock-out Event" may not be specified as applicable in the relevant Final Terms in respect of such Certificate.

34.9 Automatic Early Redemption (Certificates)

This Condition 34.9 applies to Index Securities, Share Securities, ETI Securities, Currency Securities, Commodity Securities and Futures Securities only.

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

(b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

"Automatic Early Redemption Amount" means (a) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the Notional Amount in respect 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, or if such date is not a Business Day, the next following Business Day, and no Holder shall be entitled to any interest or further payment in respect of such delay;

"Automatic Early Redemption Event" means that (a) in the case of a single Underlying Reference, the Underlying Reference Level or (b) in the case of a Basket of Underlying References, the Basket Price is, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Level as specified in the applicable Final Terms;

"Automatic Early Redemption Level" means the Level of the Underlying Reference specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

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

"Automatic Early Redemption Valuation Date" means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Business Day (in respect of Custom Index Securities) or a Commodity Business Day (in respect of Commodity Securities), as applicable, the next following Scheduled Trading Day, Custom Index Business Day or Commodity Business Day, as applicable, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in respect of Securities other than Commodity Securities or Custom Index Securities), a Custom Index Disruption Event is occurring on such day (in respect of Custom Index Securities) or a Market Disruption Event is occurring on such day (in respect of Commodity Securities). If any such day is a Disrupted Day, a day on which a Custom Index Disruption Event is occurring or (except in the case of Commodity Securities) a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date" or (in the case of Commodity Securities) if any such day is a day on which a Market Disruption Event is occurring, then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to 'Automatic Early Redemption Valuation Date';

"Basket of Underlying References" means, for the purposes of this Condition 34.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Commodities, Basket of Commodity Indices, Basket of Futures or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying Reference as the product of (a) the Underlying Reference Level of such Underlying Reference on such Automatic Early Redemption Valuation Date and (b) the relevant Weighting;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (Market Disruption) and Index Security Condition 3 (Adjustments to an Index);
- (b) in the case of Custom Index Securities, Custom Index Security Condition 6 (Adjustments to a Custom Index and Custom Index Disruption);
- (c) in the case of Share Securities, Share Security Condition 2 (Market Disruption), Share Security Condition 3 (Potential Adjustment Events) and Share Security Condition 4 (Extraordinary Events);

- (d) in the case of ETI Securities, ETI Security Condition 2 (Market Disruption) and ETI Security Condition 3 (Potential Adjustment Events);
- (e) in the case of Commodity Securities, Commodity Security Condition 2 (Market Disruption), Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index);
- (f) in the case of Currency Securities, Currency Security Condition 3 (Consequences of a Disruption Event); and
- (g) in the case of Futures Securities, Futures Security Condition 3 (Adjustments to a Future);

"Underlying Reference" means, for the purposes of this Condition 34.9 each Index, Custom Index, Share, ETI Interest, Commodity, Commodity Index, Subject Currency, Future or other basis of reference to which the relevant Securities relate; and

"Underlying Reference Level" means, in respect of any Automatic Early Redemption Valuation Date, (a) in the case of Share Securities, ETI Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities and Custom Index Securities, the level of the relevant Underlying Reference, (c) in the case of Commodity Securities, the Relevant Price, or (d) in the case of Currency Securities, the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Subject Currency for which one unit of the Base Currency can be exchanged), in each case, as determined by the Calculation Agent as of the Valuation Time on such Automatic Early Redemption Valuation Date.

35. PAYMENTS AND PHYSICAL DELIVERY (CERTIFICATES)

35.1 Payments

Except in the case of Registered Certificates, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and subject as provided below, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System or the Definitive Security Agent, as the case may be (in the case of English Law Certificates other than Swedish Dematerialised Certificates, the Finnish Dematerialised Certificates and Certificates held through Euroclear France ("**Euroclear France Certificates**") and in the case of Certificates held through Euroclear Netherlands ("**Euroclear Netherlands Certificates**") or with the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates) for value on the Redemption Date (or (a) in the case of Instalment Certificates, on the relevant Instalment Date; or (b) if Multiple Exercise is specified as applicable in the applicable Final Terms, on the relevant Exercise Settlement Date) less any Expenses, such payment to be made in accordance with the rules of such Clearing System or the Definitive Security Agent, as the case may be or Account Holder.

Except in the case of Registered Certificates and, Swedish Dematerialised Certificates, Finnish Dematerialised Certificates and 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 Security 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 Security Agent, as the case may be.

Where the Certificates pay Premium Amount(s), subject as provided below, the Issuer, failing which, the Guarantor, if any, shall pay or cause to be paid the Premium Amount for each Certificate in respect of each Premium Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Premium Amount Payment Date, such payment to be made in accordance with the rules of such Clearing System.

Except in the case of Registered Certificates, Swedish Dematerialised Certificates and Finnish Dematerialised Certificates, the Issuer or the Guarantor will be discharged by payment to, or to the order of, the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be, or whose name appears in the account of the relevant Account Holder (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be) as the holder of a particular amount of the Certificates must look solely to the relevant Clearing System or the Definitive Security 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 Security Agent, as the case may be or Account Holder.

In the case of OET Certificates, the Issuer shall confirm to the Principal Security Agent and to the relevant Account Holders (in the case of OET Certificates held through Euroclear France or Euroclear Netherlands) or Euroclear and Clearstream, Luxembourg (in the case of OET Certificates held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Certificate.

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

In the case of Registered Certificates, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Cash Settlement Amount or Credit Event Redemption Amount (if any) (or in the case of Instalment Amount, each Instalment Amount) in respect of each Registered Certificate (whether or not in global form) against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Certificate at the specified office of the Registrar or any of the Security Agents by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the amount of the Certificates held by a holder is less than U.S.\$250,000 (or integral multiples of U.S.\$1,000 in excess thereof) (or its approximate equivalent in any other Settlement Currency), payment will instead be made by a cheque in the Settlement Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a

Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency and (in the case of a payment in euro) any bank which processes payments in euro.

In the case of Registered Certificates and where the Certificates pay interest, the Issuer or, failing which, the Guarantor, if any, shall pay or cause to be paid the Interest Amount (other than the final Interest Amount) in respect of each Registered Certificate (whether or not in global form) by a cheque in the Settlement Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Certificate, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Certificates which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the Interest Amount due in respect of each Registered Certificate on redemption will be made in the same manner as payment of the Cash Settlement Amount of such Registered Certificate.

Holders of Registered Certificates will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar/relevant Security Agent in respect of any payments of principal or interest in respect of the Registered Certificates.

None of the Issuer, the Guarantor (if applicable) or any of the Security Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate, distinguishing between any payment of the Cash Settlement Amount and any Interest Amount, will be made on such Registered Global Certificate by the Registrar to which such Registered Global Certificate is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer or the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No person other than the holder of the relevant

Registered Global Certificate shall have any claim against the Issuer or the Guarantor (if applicable) in respect of any payments due on that Registered Global Certificate.

In the case of Swedish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Sweden, in the case of Swedish Dematerialised Certificates issued in nominal, on the fifth Business Day, or in the case of Swedish Dematerialised Certificates issued in units, the fourth Business Day, immediately prior to the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Payment Date**") (the "**Swedish Record Date**"). The Swedish Security Agent will pay the relevant amount through Euroclear Sweden to each Holder appearing in the Euroclear Sweden Register on the Swedish Record Date on the Payment Date.

In the case of Finnish Dematerialised Certificates, payment of the Cash Settlement Amount (if any) (or in the case of Instalment Certificates, each Instalment Amount) or Credit Event Redemption Amount (if any) and Interest Amount (if any) will be made to persons registered as Holders in the register maintained by Euroclear Finland, in the case of Finnish Dematerialised Certificates issued in nominal, on the Business Day preceding the Redemption Date (or in the case of Instalment Certificates, Instalment Date) or Interest Payment Date, as the case may be (the "**Finnish Payment Date**"), or in the case of Finnish Dematerialised Certificates issued in units, on the fifth trading day following the Redemption Valuation Date (both referred to as the "**Finnish Record Date**"). The Finnish Security Agent will pay the relevant amount to each Holder appearing in the Euroclear Finland Register on the Finnish Record Date, in the case of Finnish Dematerialised Certificates issued in nominal, on the Finnish Payment Date, or, in the case of Finnish Dematerialised Certificates issued in units, on the third Business Day following the Finnish Record Date. In the event of late payment not due to an event or circumstance mentioned below in this paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Business Day, EURIBOR (or any other interbank offered rate applicable in Helsinki) increased by one percentage point. Interest will not be capitalized. Where the Issuer, the Guarantor, if any, or any Security Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (*Fin. laki arvo-osuusjärjestelmästä* (826/1991)) and the Finnish Act on Book-Entry Accounts (*Fin. laki arvo-osuustileistä* (827/1991)).

If the determination of any amount in respect of interest or premium amount due in respect of the Certificates on an Interest Payment Date or Premium Amount Payment Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Underlying Reference(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided in the Terms and Conditions or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary in the Terms and Conditions or in the applicable Final Terms, such Interest Payment Date or Premium Amount Payment Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest, premium or other amount shall be payable on the Certificates in respect of such delay.

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

35.2 Physical Delivery

(a) 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 (i) in the case of (a) Certificates represented by a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System or by Euroclear France or by Euroclear Netherlands, or (b) Certificates represented by a Registered Global Certificate, 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 (in the case of Euroclear France Certificates or Euroclear Netherlands Certificates as the case may be), not later than 10.00 a.m. (Local Time) on the Cut-off Date, (ii) 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 Security Agent not later than 5.00 p.m., New York City time on the Business Day in New York preceding the Cut-off Date, (iii) in the case of Certificates represented by Private Placement Definitive Certificates, deliver to the Definitive Security 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 (iv) in the case of Registered Certificates in the definitive form, deliver to the Registrar not later than 10.00 a.m. (Local Time) on the Cut-off Date, with a copy to the Principal Security 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 Security Agent or the Registrar, as the case may be.

In the case of Certificates represented by a Clearing System Global Certificate or Registered Global Certificate, 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 Security Agent, by facsimile. In the case of Private Placement Definitive Certificates and definitive Registered Certificates, the Asset Transfer Notice may only be delivered 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit the relevant Holder's account with the relevant Certificates or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, irrevocably instruct the Definitive Security Agent or Registrar, as the case may be, to remove from the Private Placement Register or Register, as the case may be, on or before the Redemption Date or (in the case of Credit Certificates) the Settlement Date the Certificates which are subject of such notice;

- (v) (A) in the case of Clearing System Global Certificates or a Registered Global Certificate, 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 Security Agent to debit a specified account of the Holder and to pay such Expenses or (B) in the case of Private Placement Definitive Certificates or definitive Registered Certificates, include an undertaking to pay all Expenses and an authority to the Definitive Security Agent or Registrar, as the case may be, 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 (A) in the case of Certificates represented by (i) a Clearing System Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear and/or any other relevant Clearing System or (ii) a Registered Global Certificate, 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 amounts payable pursuant to Credit Security Condition 4, any other 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, (B) 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 amounts payable pursuant to Credit Security Condition 4, any other 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 (C) in the case of Private Placement Definitive Certificates or definitive Registered 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 Securities only, (A) in the case of Clearing System Global Certificates other than a Rule 144A Global Certificate or a Registered 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 Securities 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 or definitive Registered 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 Clearing System Global Certificates other than a Rule 144A Global Certificate or Registered Certificates, 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 5.3 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 Security Agent or the Registrar, as the case may be.

(b) 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 Security 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 Security 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 or (in the case of Credit Certificates) the Settlement 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 Security 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 Security 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 Security Agent will inform BNPP thereof. The New York Security Agent will, on or before the Delivery Date or (in the case of Credit

Certificates) the Settlement 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 Security Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Private Placement Register. Subject thereto, the Definitive Security 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 Security Agent will inform BNPP thereof. The Definitive Security Agent will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Private Placement Register.

In the case of definitive Registered Certificates, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar 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 Registrar will inform the Issuer thereof. The Registrar will, on or before the Delivery Date or (in the case of Credit Certificates) the Settlement Date, update the Register.

(c) 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 Clearing System Global Certificates (other than Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) and a Registered Global Certificate, 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 Security Agent, (iii) in the case of Private Placement Definitive Certificates, the Definitive Security Agent, or (iv) in the case of definitive Registered Certificates, the Registrar, in each case, in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Security 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 Security 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 Security Agent, the Definitive Security Agent or the Registrar, as provided in paragraph (a) 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 Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder in consultation with the Principal Security 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, the New York Security Agent, the Definitive Security Agent or the Registrar or, as the case may be, the relevant Account Holder and the Principal Security Agent.

The relevant Clearing System, the New York Security Agent, the Definitive Security Agent or the Registrar, 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 Security 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 Security Agents, the Registrar 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, the Registrar or the relevant Security 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**") or (in the case of Credit Certificates) the Settlement Date, provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System or the relevant Security Agent or, as the case may be, the relevant Account Holder with a copy to the Principal Security 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 Security Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered or, as the case may be, Delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) or (in the case of Credit Certificates) the Settlement Date, at the risk of such Holder in the manner provided herein. 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 the Delivery Date or the Settlement Date, as the case may be, falling after the Redemption Date or the originally designated Settlement Date, as applicable, 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 or (in the case of Credit Certificates) Deliver the Deliverable Obligations comprising 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 or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement or Delivery of the Deliverable Obligations comprising the Entitlement, as the case may be, shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(d) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset, each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset, of each of the Relevant Assets, the Deliverable Obligation or the Deliverable Obligations, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following the Delivery Date of a Share Security or ETI Security all dividends on the relevant Shares or ETI Interests to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the Delivery Date and to be delivered in the same manner as such relevant Shares or ETI Interests. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice as referred to in Condition 35.2(a).

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

- (e) Commodity Securities shall not be Physical Delivery Certificates.

36. PRESCRIPTION (CERTIFICATES)

Claims against the Issuer or the Guarantor, if any, for payment of principal, interest and/or Premium Amount in respect of the Certificates (other than Finnish Dematerialised Certificates) shall become void unless made within 60 months from the Redemption Date, or in the case of Finnish Dematerialised Certificates, within three years from the Redemption Date, and no claims shall be made after such date.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

The terms and conditions applicable to Index Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Index Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Index Security Conditions, the Index Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Index Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket of Indices**" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

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

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

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

"**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;

"**Disrupted Day**" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"**Early Closure**" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and

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

"Exchange" means:

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

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

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

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

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their regular trading session(s), notwithstanding any such

relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor publishes the level of such Composite Index and (ii) the relevant Related Exchange, if any, is open for trading during its regular trading session in respect of such Composite Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 1, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

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

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, are scheduled to be

open for trading during their respective regular trading session(s) in respect of such Indices, and (b) in respect of any Composite Indices, (i) the Index Sponsor is scheduled to publish the level of such Composite Indices and (ii) each Related Exchange, if any, is scheduled to be open for trading during its regular trading session in respect of such Composite Indices;

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

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

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price (in the case of Warrants) or in the Index Currency (in the case of Certificates)) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. Market Disruption

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure in respect of such Component Security; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component

Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then, except as may be limited in the case of U.S. Securities:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (b) in the case of Warrants, the Issuer may cancel the Warrants by giving notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (c) in the case of Certificates:
 - (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at 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, 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 General Condition 10; or
 - (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each 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 (the "**Calculated Index Adjustment Amount**") as soon as practicable following the occurrence of the Index Adjustment Event (the "**Calculated Index Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Index Adjustment Amount plus interest accrued from and including the Calculated Index Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Exchange

Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Custom Index

Index Security Conditions 6 to 8 apply if "Custom Index" is specified as applicable in the applicable Final Terms. In the event of any inconsistency between the provisions of Index Security Conditions 6 to 8 and the other Index Security Conditions, the provisions of Index Security Conditions 6 to 8 shall prevail.

6. Adjustments to a Custom Index and Custom Index Disruption

6.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Custom Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (b) replaced by a successor custom index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Custom Index, then in each case that custom index (the "**Successor Custom Index**") will be deemed to be the Custom Index.

6.2 Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption

If (a) on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Custom Index or in any other way materially modifies that Custom Index (other than a modification prescribed in that formula or method to maintain that Custom Index in the event of changes in constituent components and capitalisation, contracts or commodities and other routine events) (a "**Custom Index Modification**"), or permanently cancels a relevant Custom Index and no Successor Custom Index exists (a "**Custom Index Cancellation**"), or (b) on a Valuation Date, an Observation Date or an Averaging Date, the Index Sponsor or (if applicable) the Successor Custom Index Sponsor fails to calculate and announce a relevant Custom Index or it is not a Custom Index Business Day (a "**Custom Index Disruption**" and, together with a Custom Index Modification and a Custom Index Cancellation, each a "**Custom Index Adjustment Event**"), then:

- (a) in the case of Custom Index Securities relating to a single Custom Index where Scheduled Custom Index Business Days (Single Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which

case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, notwithstanding the Custom Index Disruption and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;

- (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date), an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date), the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
 - (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or

- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates:
 - I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Conditions 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in

the applicable Final Terms, no amount of additional interest shall be payable; or

- (F) in the case of a Custom Index Modification which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of the Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.
- (b) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (All Indices Basis) is specified as applicable in the applicable Final Terms, then:
- (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring in respect of any Custom Index (each an "**Affected Custom Index**") on the last Valuation Date, last Averaging Date or last Observation Date, then such Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of any of the Custom Indices in the Basket, unless there is a Custom Index Disruption in respect of any one of the Custom Indices in the Basket on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket, notwithstanding the Custom Index Disruption in respect of an Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using (X) in respect of any Custom Index which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine the level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) or a Valuation Date (other than the last Valuation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:

- (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for all Custom Indices in the Basket shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of any Custom Index (each an "**Affected Custom Index**") comprised in the Basket unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for all Custom Indices in the Basket and may determine the Settlement Price by using (X) in respect of any Custom Index in the Basket which is not an Affected Custom Index, the method provided for in part (i) of the definition of "Settlement Price" contained in Custom Index Security Condition 8 (Definitions relating to Custom Indices) below and (Y) in respect of any Custom Index in the Basket which is an Affected Custom Index, commercially reasonable efforts to determine a level of the relevant Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or
- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be a "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in

respect of each Warrant being cancelled at an amount equal to the fair market value of each Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

(E) in the case of Certificates:

I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or

(F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket which occurs on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the

formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

- (c) in the case of Custom Index Securities relating to a Basket of Custom Indices where Scheduled Custom Index Business Days (Per Index Basis) is specified as applicable in the applicable Final Terms, then:
 - (i) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the last Valuation Date, last Averaging Date or last Observation Date, then the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index not affected by the occurrence of the Custom Index Disruption shall be the scheduled last Valuation Date, last Averaging Date or last Observation Date, as the case may be, and the Valuation Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index, unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Valuation Date, Averaging Date or Observation Date, as the case may be, in which case the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Valuation Date, Averaging Date or Observation Date, as the case may be, for the relevant Affected Custom Index and the Calculation Agent shall determine the Settlement Price by using commercially reasonable efforts to determine the level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Affected Custom Index;
 - (ii) following a Custom Index Modification or Custom Index Cancellation at any time or a Custom Index Disruption (which in the latter case occurs or is occurring on the Strike Date, an Averaging Date (other than the last Averaging Date) or an Observation Date (other than the last Observation Date) the Calculation Agent shall determine if such Custom Index Adjustment Event has a material effect on the Securities and, if so:
 - (A) if the Custom Index Adjustment Event is a Custom Index Disruption which occurs or is occurring on the Strike Date, an Averaging Date or Observation Date, the Calculation Agent may determine that the Strike Date, relevant Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket not affected by the occurrence of the Custom Index Disruption shall be the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, and the Strike Date, Averaging Date or Observation Date, as the case may be, for each Custom Index in the Basket affected by the Custom Index Disruption (each an "**Affected Custom Index**") shall be the first succeeding Scheduled Custom Index Business Day (in the case of the Strike Date) or Valid Date (in the case of an

Averaging Date or Observation Date, as the case may be) on which a Custom Index Disruption is not occurring in respect of such Affected Custom Index unless there is a Custom Index Disruption on each of the number of consecutive Scheduled Custom Index Business Days equal to the Specified Maximum Days of Disruption immediately following the scheduled Strike Date, Averaging Date or Observation Date, as the case may be, in which case the Calculation Agent may determine that the last such consecutive Scheduled Custom Index Business Day shall be deemed to be the Strike Date, Averaging Date or Observation Date, as the case may be (irrespective, in the case of an Averaging Date or Observation Date, of whether that last consecutive Scheduled Custom Index Business Day is already an Averaging Date or Observation Date, as the case may be) for the relevant Affected Custom index and may determine the Settlement Price by using commercially reasonable efforts to determine a level of the relevant Affected Custom Index as of the Valuation Time on the last such consecutive Scheduled Custom Index Business Day in accordance with the formulae for and method of calculating the relevant Affected Custom Index last in effect prior to the occurrence of the Custom Index Disruption and using its good faith estimate of the value for the components of the Custom Index; or

- (B) the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index and, upon selection of such index, the Calculation Agent shall promptly notify the Holders and such index shall become the Successor Custom Index and shall be deemed to be the "Custom Index" for the purpose of the Securities and the Calculation Agent will make such adjustment, if any, to one or more of the terms of the Securities as the Calculation Agent in its sole and absolute discretion determines appropriate; or
- (C) the Calculation Agent may determine in its sole and absolute discretion such other appropriate adjustments, if any, to be made to the terms of the Securities to account for the Custom Index Adjustment Event and determine the effective date of those adjustments; or
- (D) in the case of Warrants, the Calculation Agent may require the Issuer to cancel the Warrants, in which case it will so notify the Issuer and the Issuer will give notice to Holders in accordance with General Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Holder in respect of each Warrant being cancelled at an amount equal to the fair market value of a Warrant, taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (E) in the case of Certificates;

- I. unless Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may require the Issuer to redeem the Certificates, which case it will so notify the Issuer and the Issuer will give notice to the Holders in accordance with General Condition 10. If the Certificates are so redeemed, the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Custom Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
 - II. if Delayed Redemption on Occurrence of Custom Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Custom Index Adjustment Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Custom Index Adjustment Event Amount**") as soon as practicable following the occurrence of the Custom Index Adjustment Event (the "**Calculated Custom Index Adjustment Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to the Calculated Custom Index Adjustment Event Amount plus interest accrued from and including the Calculated Custom Index Adjustment Event Amount Determination Date to but excluding the Redemption Date at a rate specified in the applicable Final Terms, or if no rate is specified in the applicable Final Terms, no amount of additional interest shall be payable; or
- (F) in the case of a Custom Index Modification which occurs in respect of a Custom Index in the Basket on the last Valuation Date, last Averaging Date or last Observation Date only, the Calculation Agent may elect to calculate the level of such Custom Index, using in lieu of the published level for the Custom Index as of the Valuation Date, Averaging Date or Observation Date, as the case may be, the level of the Custom Index as of that date determined by the Calculation Agent in accordance with the formula for and method of calculating the Custom Index last in effect prior to the Custom Index Modification but using only those components that comprised the Custom Index prior to the Custom Index Modification.

6.3 Notice

The Calculation Agent shall, as soon as practicable, notify the relevant Security Agent or the Registrar, as the case may be, of any determination made by it pursuant to Index Security Condition 6.2 above

and the action proposed to be taken in relation thereto and such Security Agent or the Registrar, as the case may be, shall make available for inspection by Holders copies of any such determinations.

7. Correction of Custom Index

With the exception of any corrections published after the day which is three Scheduled Custom Index Business Days prior to the due date for any payment under the Securities calculated by reference to the level of a Custom Index, if the level of the Custom Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within the number of days equal to the Custom Index Correction Period of the original publication, the level to be used shall be the level of the Custom Index as so corrected. Corrections published after the day which is three Scheduled Custom Index Business Days prior to a due date for payment under the Securities calculated by reference to the level of the Custom Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

8. Definitions relating to Custom Indices

Unless otherwise specified in the applicable Final Terms:

"Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Banking Day" means any week day except for 25 December and 1 January in any year;

"Basket" and **"Basket of Custom Indices"** means a basket comprised of two or more Custom Indices;

"Custom Index" or **"Custom Indices"** mean, subject to adjustment in accordance with this Annex 1, any index or indices specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Custom Index Business Day" means either (a) in the case of a single Index, Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, Custom Index Business Day (All Indices Basis) or Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Custom Index Business Day (All Indices Basis) shall apply;

"Custom Index Business Day (All Indices Basis)" means any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day in respect of all Indices in the Basket;

"Custom Index Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Custom Index Business Day in respect of which (a) the level of the Index is calculated and made available and (b) it is Custom Index Trading Day;

"Custom Index Business Day (Single Index Basis)" means any Scheduled Custom Index Business Day on which (a) the level of the Index is calculated and made available and (b) it is a Custom Index Trading Day;

"Custom Index Correction Period" means the period specified in the applicable Final Terms or if none is so specified, ten (10) Scheduled Custom Index Business Days following the date on which the original level was calculated and made available by the Index Sponsor and being the date after which all corrections to the level of the Index shall be disregarded for the purposes of any calculations to be made using the level of the Index;

"Custom Index Trading Day" means, in respect of a Custom Index, any day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Index under the Securities;

"Disrupted Day" means any Scheduled Custom Index Business Day on which a Custom Index Disruption has occurred or is continuing in the sole and absolute discretion of the Calculation Agent;

"Index Sponsor" means, in relation to a Custom Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Custom Index and (b) ensures the calculation and publication of the level of such Custom Index on a regular basis (directly or through an agent) in accordance with the rules of the Custom Index, which as of the Issue Date of the Securities is the index sponsor specified for such Custom Index in the applicable Final Terms;

"Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Custom Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms;

"Scheduled Custom Index Business Day" means either (a) in the case of a single Index, Scheduled Custom Index Business Day (Single Index Basis) or (b) in the case of a Basket of Custom Indices, Scheduled Custom Index Business Day (All Indices Basis) or Scheduled Custom Index Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Custom Index Business Day (All Indices Basis) shall apply;

"Scheduled Custom Index Business Day (All Indices Basis)" means any Banking Day (a) in respect of which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day in respect of all Custom Indices in the Basket;

"Scheduled Custom Index Business Day (Per Index Basis)" means in respect of an Index, any Banking Day (a) on which the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Scheduled Custom Index Business Day (Single Index Basis)" means any Banking Day on which (a) the level of the Index is scheduled to be calculated and made available and (b) that is a Custom Index Trading Day;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date" contained herein, as the case may be;

- (a) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket of Custom Indices, an amount (which shall be deemed to be a monetary value in the Index Currency) equal to the level for each such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, any of the "Strike Date", "Knock-in Determination Day", "Knock-out Determination Day", "Observation Date" or the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, 20 Scheduled Custom Index Business Days;

"Strike Date" means the date(s) specified as such in the applicable Final Terms or, if any such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) below shall apply;

"Strike Price" means unless otherwise specified in the applicable Final Terms, and subject as referred to in "Strike Date" above:

- (a) in the case of Index Securities relating to a single Index, an amount equal to the level of the Index as published by the Index Sponsor as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date; and
- (b) in the case of Index Securities relating to a Basket of Custom Indices and in respect of each Index comprising the Basket, an amount equal to the level of each such Index published by the relevant Index Sponsor, in each case as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on the Strike Date multiplied by the relevant Weighting.

"Valid Date" means a Scheduled Custom Index Business Day that is not a Disrupted Day and on which another Averaging Date or another Observation Date does not occur;

"Valuation Date" means, the date (in the case of Warrants), or the Interest Valuation Date and/or Automatic Early Redemption Valuation Date and/or Redemption Valuation Date (in the case of Certificates), as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Custom Index Business Day, the immediately succeeding Scheduled Custom Index Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the provisions of Index Security Condition 6.2 (Modification and Cessation of Calculation of a Custom Index and Custom Index Disruption) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time by reference to which the Index Sponsor determines the level of the Index in its sole and absolute discretion.

9. Futures Price Valuation

9.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 1:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price (in the case of Warrants) or the Index Currency (in the case of Certificates)) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices any constituent Index) any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price is published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

The Disrupted Day provisions in these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket) in respect of which Futures Price Valuation applies, unless there is a Non-Commencement or Discontinuance of the Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 9.2 (Rolling Futures Contract Securities) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent in its sole and absolute discretion within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of the Exchange-traded Contract" means there is no Official Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

9.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 9.3 (Adjustments to an Exchange-traded Contract) or 9.4 (Non-Commencement or Discontinuance of an Exchange-traded Contract) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then:

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

(b) in the case of Certificates:

- (i) unless Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Issuer may redeem the Certificates by giving notice to Holders in accordance with General Condition 10. If the Certificates are so redeemed the Issuer will pay an amount to each Holder in respect of each Certificate being redeemed at an amount equal to the fair market value of a Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or
- (ii) if Delayed Redemption on Occurrence of Index Adjustment Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate taking into account the Non-Commencement or Discontinuance of the Exchange-traded Contract less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Contract Adjustment Amount**") as soon as practicable following the occurrence of the Non-Commencement or Discontinuance of the Exchange-traded Contract (the "**Calculated Contract Adjustment Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Contract Adjustment Amount plus interest accrued from and including the Calculated Contract Adjustment Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as being applicable in the applicable Final Terms and if greater, the Notional Amount.

9.3 **Adjustments to an Exchange-traded Contract**

Without duplication of Index Security Condition 3 (Adjustments to an Index) or Index Security Condition 4 (Correction of Index) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9.4 **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

9.5 **Correction of the Official Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is

subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price to be used shall be the Official Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

The terms and conditions applicable to Share Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Share Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Share Security Conditions, the Share Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Share Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

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

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

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"**Exchange**" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

"Exchange Business Day (All Shares Basis)" means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per Share Basis)" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share 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;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent in its sole and absolute discretion;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, (b) the worst performing, or (c) any other performance measure that is applied to the Shares, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

"Scheduled Trading Day (Per Share Basis)" means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date" in the General Conditions, as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Share Securities relating to a single Share, an amount equal to the official closing price (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the relevant Settlement Price

Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 2, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Redemption Valuation Date or a Valuation Date as the case may be.

3. Potential Adjustment Events

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

Except as may be limited in the case of U.S. Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in

respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. Extraordinary Events

- 4.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change or Listing Suspension, as the case may be, shall be deemed to be an "**Extraordinary Event**", the consequences of which are set forth in Share Security Condition 4.2:

"**De-Listing**" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Illiquidity**" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the "**Relevant Period**"), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"**Listing Change**" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Event).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date (in the case of Warrants) or Redemption Date (in the case of Certificates).

"Nationalisation" means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

4.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates) or (e) (in each case, if applicable) or, in the case of Securities relating to a Basket of Shares (f) below (except as may be limited in the case of U.S. Securities):

- (a) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The

Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of subparagraph (f) below;

- (b) in the case of Share Securities relating to a Basket of Shares, cancel (in the case of Warrants) or redeem (in the case of Certificates) in part by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, as the case may be, in part the portion (the "**Settled Amount**") of each Security, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be cancelled or redeemed, as the case may be, and the Issuer will:
 - (i) pay to each Holder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and
 - (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation or redemption, as the case may be, in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation or redemption, as the case may be, and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;

- (c) in the case of Warrants, on giving notice to Holders in accordance with General Condition 10, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10;
- (d) in the case of Certificates;
 - (i) unless Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, on giving notice to Holders in accordance with General Condition 10 redeem all but not some only of the Certificates at the amount equal to the fair market value of a Certificate taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments

will be made in such manner as shall be notified to the Holders in accordance with General Condition 10; or

- (ii) if Delayed Redemption on Occurrence of an Extraordinary Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Certificate, taking into account the relevant Extraordinary Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the "**Calculated Extraordinary Event Amount**") as soon as practicable following the occurrence of the relevant Extraordinary Event (the "**Calculated Extraordinary Event Amount Determination Date**") and on the Redemption Date shall redeem each Certificate at an amount calculated by the Calculation Agent equal to (x) the Calculated Extraordinary Event Amount plus interest accrued from and including the Calculated Extraordinary Event Amount Determination Date to but excluding the Redemption Date at a rate equal to Issuer's funding cost at such time or (y) if Principal Protected Termination Amount is specified as applicable in the applicable Final Terms and if greater, the Notional Amount;
- (e) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (f) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that (i) in the case of Certificates, in the event that any amount payable under the Certificates was to be determined by reference to the Initial Price of the Affected Share, the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the

following formula, and (ii) in the case of Warrants, the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

Initial Price (in the case of Certificates)/Exercise Price (in the case of Warrants) = $A \times (B/C)$
where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is, in the case of Warrants, the Exercise Price, or, in the case of Certificates, the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the sole and absolute discretion of the Calculation Agent:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer, that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
 - (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company; and
 - (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Holders in accordance with

General Condition 10 stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5. **Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. **Dividend Payment**

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.
- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Holders in accordance with General Condition 10 of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date (in the case of Warrants) or the Redemption Date (in the case of Certificates), the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Holder.

For the purposes of this Share Security Condition 6 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a pro rata share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent in its sole and absolute discretion on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent in its sole and absolute discretion;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent in its sole and absolute discretion; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

7. GDR/ADR

Share Security Conditions 8 to 12 (inclusive) apply where "GDR/ADR" is specified in the applicable Final Terms.

8. Definitions relating to GDR/ADR

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the sole and absolute determination of the Calculation Agent results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

9. General

Save where specifically provided under the Final Terms, all references in the General Conditions and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the holders of Securities.

10. Share Event

Upon the occurrence of a Share Event, the Issuer in its sole and absolute discretion may take the action described in paragraphs (a), (b), (c) (in the case of Warrants), (d) (in the case of Certificates), (e) or (f), as applicable, of Share Security Condition 4.2. The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depositary of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

11. Potential Adjustment Event

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3:

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

12. Extraordinary Events

The following additional events shall be deemed added to the first paragraph of Share Security Condition 4.1 after the words "as not applicable in the applicable Final Terms)":

"Conversion Event".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

The terms and conditions applicable to ETI Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**ETI Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the ETI Security Conditions, the ETI Security Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the ETI Security Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Definitions

"**Additional Extraordinary ETI Event**" means any event specified as such in the applicable Final Terms;

"**Basket Trigger Event**" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent;

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"**Clearance System**" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Dividend Event**" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means, unless specified otherwise in the applicable Final Terms, with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

"Final Calculation Date" means the date specified as such in the applicable Final Terms;

"Hedging Date" has the meaning given to it in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, in respect of a day, an amount which may never be less than zero equal to the present value as at such day, of any future payments under the Securities determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event, in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, **"Interests"** shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and **"Entity"** shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"Non-Principal Protected Termination Amount" means an amount per Security determined by the sum of:

- (i) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Number of Value Publication Days" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"Principal Protected Termination Amount" means an amount per Security determined as the sum of:

- (i) the Protected Amount;
- (ii) the Implied Embedded Option Value on the Implied Embedded Option Value Determination Date; and
- (iii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Simple Interest;

"Protected Amount" means (i) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is specified as applicable in the applicable Final Terms, the amount specified as such in the applicable Final Terms or (ii) if Delayed Redemption on Occurrence of an Extraordinary ETI Event is not specified as being applicable in the applicable Final Terms, the present value of a hypothetical zero coupon bond reflecting the principal protection feature of the Securities as of the Implied Embedded Option Value Determination Date, all as determined by the Calculation Agent;

"Related Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"Scheduled Trading Day" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Scheduled Trading Day (All ETI Interest Basis)" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"Scheduled Trading Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single ETI Interest Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date" in the General Conditions, as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide), or (y) if the applicable Final Terms specify that

the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Simple Interest" means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Termination Amount during the period from (and including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. under which:

- (A) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (B) the "Termination Date" is the Termination Date;
- (C) the "Floating Rate Payer Payment Date" is the Termination Date;
- (D) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (E) the "Designated Maturity" is 3 months;
- (F) the "Simple Interest Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (G) the "Floating Rate Day Count Fraction" is Actual/360;
- (H) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (I) "Compounding" is "Inapplicable";

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means the amount specified in the applicable Final Terms or if not so specified, (i) in the case of Certificates, (x) the Principal Protected Termination Amount or (y) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms or (ii) in the case of Warrants, an amount equal to the Implied Imbedded Option Value;

"Termination Date" means (i) the date determined by the Issuer and specified in the notice given to Holders in accordance with ETI Security Condition 6.2(d) or (ii) in the case of Certificates, if Delayed

Redemption on Occurrence of an Extraordinary ETI Event is specified as being applicable in the applicable Final Terms, the Redemption Date;

"Trade Date" has the meaning given to it in the applicable Final Terms;

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5%;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

2. Market Disruption

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an

Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI or ETI Related Party, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion.

Except as may be limited in the case of U.S. Securities, following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Holders in accordance with General Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (Determination of Extraordinary ETI Events), **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or
- 4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

- 4.3 there exists any litigation against the ETI or an ETI Related Party which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or
- 4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

- 4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a

successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

- 4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;
- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI

Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or

- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or

- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any

reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;

- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);
- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;

4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event, the Issuer may determine which Extraordinary ETI Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent may, on or prior to the date on which such Extraordinary ETI Event is no longer continuing give notice (an "**Extraordinary ETI Event Notice**") to the Holders in accordance with General Condition 10 (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") and set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Holders in accordance with General Condition 10 as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

For such purposes, an Extraordinary ETI Event shall be considered to be "continuing" if it has not been remedied to the reasonable satisfaction of the Issuer.

The Calculation Agent shall provide Holders with an Extraordinary ETI Event Notice as soon as reasonably practicable following the determination of an Extraordinary ETI Event. However, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Holder or any other person in connection with the Securities as a result of any delay, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to ETI Security Condition 6.2 below.

6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer, in its sole and absolute discretion, may take the action described below in (a), (b), (c) or (d).

(a) No Action

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**No Action**", then the Securities shall continue and there shall be no amendment to the Terms and Conditions and/or the applicable Final Terms.

(b) Adjustment

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution

If the Issuer, in its sole and absolute discretion, determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the

Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the Initial Price of the Affected ETI Interest, the Initial Price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Initial Price} = A \times (B/C)$$

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the ETI Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETI Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent in its sole and absolute discretion:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives,

investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(d) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Holders in accordance with General Condition 10 (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), (i) in the case of Warrants, all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date or (ii) in the case of Certificates, all but not some only of the outstanding ETI Securities shall be redeemed by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

(e) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Holders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. Correction of ETI Interest Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. Calculations and Determinations

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

The terms and conditions applicable to Debt Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Debt Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Debt Security Conditions, the Debt Security Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Debt Security Conditions and (ii) the Final Terms, the Final Terms shall prevail.

1. Settlement Price

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject as referred to in "Averaging Date" or "Valuation Date" above:

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument at the bid price for such Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of such Debt Instrument, multiplied by the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to the bid price for the Debt Instrument as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such bid prices to be expressed as a percentage of the nominal amount of the Debt Instrument.

2. Market Disruption

"**Market Disruption Event**" shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Instruments or any of them (in the case of a basket of Debt Instruments) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Instruments or any of them (in the case of a basket of Debt Instruments) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

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The Issuer shall give notice as soon as practicable to the Holders in accordance with General Condition 10 that a Market Disruption Event has occurred.

3. Correction of Debt Instrument Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant exchange within 30 days of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY SECURITIES

The terms and conditions applicable to Commodity Securities shall comprise the Terms and Conditions of the Securities (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Commodity Security Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Commodity Security Conditions, the Commodity Security Conditions shall prevail. In the event of any inconsistency between (a) the General Conditions and/or the Commodity Security Conditions and (b) the Final Terms, the Final Terms shall prevail.

1. Definitions

"Basket Component" means any Commodity or Commodity Index comprised in a Basket of Commodities;

"Basket of Commodities" means a basket comprising two or more Commodities and/or Commodity Indices;

"Commodity" means, subject to adjustment in accordance with this Annex, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms, and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of this Annex and the applicable Final Terms;

"Commodity Business Day" means:

- (a) in respect of a Commodity or a Commodity Index:
 - (i) where the Commodity Reference Price for the relevant Commodity or Commodity Index is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each relevant Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time; or
 - (ii) a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price for the relevant Commodity or Commodity Index; or
- (b) in the case of a Basket of Commodities, a day on which the Commodity Reference Price in respect of all of the Basket Components is scheduled to be published or announced in accordance with (i) and (ii) above;

"Commodity Disrupted Day" means any day on which a Market Disruption Event has occurred;

"Commodity Fallback Value" means:

- (i) in respect of any Commodity, the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Pricing Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price

remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, it will be deemed that such value cannot be determined and the relevant value shall be the good faith estimate of the Calculation Agent; or

- (ii) in respect of any Commodity Index or Basket of Commodities, the price for such Commodity Index or Basket of Commodities, as the case may be, in respect of the relevant Pricing Date determined by the Calculation Agent using the current applicable method of calculating such Commodity Index or the method for determining the value of the Basket of Commodities, as the case may be, as set out in the applicable Final Terms using the price or level for each Index Component or Basket Component, as the case may be, determined as follows:
 - (a) in respect of each Index Component or Basket Component, as the case may be, which is not affected by the Market Disruption Event, the closing price or level or settlement price, as applicable, of such Index Component or Basket Component, as the case may be, on such Pricing Date; and
 - (b) in respect of each Index Component or Basket Component, as the case may be, which is affected by the Market Disruption Event (each an "**Affected Item**"), the closing price or level or settlement price, as applicable, for such Affected Item on the first succeeding Pricing Date that is not a Commodity Disrupted Day, unless each of the number of consecutive Pricing Dates equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date is a Commodity Disrupted Day. In that case, (i) the last such consecutive Pricing Date shall be deemed to be the Pricing Date for the Affected Item, notwithstanding the fact that such day is a Commodity Disrupted Day, and (ii) the Calculation Agent shall determine the price or level of such Affected Item in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the price of the Affected Item based upon the price at which the Issuer is able to sell or otherwise realise any hedge positions in respect of the Securities during the period of five Commodity Business Days following the last such consecutive Pricing Date;

"Commodity Index" means each index specified as such in the applicable Final Terms or an index comprising one or more commodities, contracts for the future delivery of a commodity, indices linked to a single commodity or indices comprised of multiple commodities (each an "Index Component");

"Commodity Reference Price" means, in respect of any Commodity or any Commodity Index, the Commodity Reference Price specified in the applicable Final Terms;

"Delivery Date" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if the Securities are not Rolling Futures Contract Securities:
 - (i) if a date is, or a month and year are, specified in the applicable Final Terms, that date or that month and year;
 - (ii) if a Nearby Month is specified in the applicable Final Terms, the month of expiration of the relevant Futures Contract; and

- (iii) if a method is specified in the applicable Final Terms for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method;

if the Securities are Rolling Futures Contract Securities, the delivery date for a futures contract selected by the Calculation Agent acting in good faith and in a commercially reasonable manner on the Futures Rollover Date or if none the Issue Date.

"Disappearance of Commodity Reference Price" means (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Index Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract, Commodity or Index Component;

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified, the Calculation Agent shall determine the relevant actions in accordance with Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks).

"Exchange" means, in respect of a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms or in the Commodity Reference Price and in the case of a Commodity Index, the exchange or principal trading market for each Index Component comprising such Commodity Index;

"Final Pricing Date" or **"Final Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Final Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Final Interest Pricing Date";

"Futures Contract" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price;

"Futures Rollover Date" means the date specified as such in the applicable Final Terms;

"Index Component Disruption Event" means:

- (a) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published on any date between the Issue Date and such Pricing Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Pricing Date includes, or is derived from, a price for one or more Index Components published by the usual exchange or price source on any date between the Issue Date and such Pricing Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source;

"Initial Pricing Date" or **"Initial Interest Pricing Date"** means the date specified as such in the applicable Final Terms. References in these Conditions to "Initial Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Initial Interest Pricing Date";

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract or, in the case of a Commodity Index, Index Component;

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price or any Index Component used to calculate the Commodity Reference Price;

"Nearby Month", when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example, (a) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that Pricing Date; (b) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that Pricing Date; and (c) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that Pricing Date;

"Price Source" means the publication (or such other origin of reference, including an Exchange or Index Sponsor or Index Calculation Agent) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the relevant Commodity Reference Price;

"Price Source Disruption" means (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source;

"Pricing Date" or **"Interest Pricing Date"** means each date specified in the Final Terms as being the Initial Pricing Date, an Averaging Date, an Observation Date, an Automatic Early Redemption Valuation Date or the Final Pricing Date or if any such date is not a Commodity Business Day, the immediately succeeding Commodity Business Day, unless, in the opinion of the Calculation Agent, such day is a day on which a Market Disruption Event has occurred or is continuing, in which case where the Securities relate to:

- (a) a single Commodity, the relevant Pricing Date or Interest Pricing Date, as applicable, shall be the first succeeding Commodity Business Day that is not a Commodity Disrupted Day, unless each of the number of consecutive Commodity Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Pricing Date or Scheduled Interest Pricing Date, as the case may be, is a Commodity Disrupted Day. In that case, (A) the last such consecutive Commodity Business Day shall be deemed to be the Pricing Date or Interest Pricing Date, as the case may be, notwithstanding the fact that such day is a Commodity Disrupted Day, and (B) the Calculation Agent shall determine the Relevant Price by applying the Commodity Fallback Value; or
- (b) a Commodity Index or Basket of Commodities, the Calculation Agent shall determine the Relevant Price for the Commodity Index or each Basket Component, as the case may be, using the Commodity Fallback Value.

References in these Conditions to "Pricing Date" shall be deemed to apply mutatis mutandis in respect of any "Interest Pricing Date";

"Reference Dealers" means four leading dealers in the relevant Commodities market selected by the Calculation Agent;

"Relevant Price" means, for any Pricing Date, the price, expressed as a price per unit of the Commodity, the price of the Commodity Index or any Index Component, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Security Conditions and the applicable Final Terms;

"Scheduled Pricing Date" or **"Scheduled Interest Pricing Date"** means any original date that, but for the occurrence of an event causing a Market Disruption Event, would have been a Pricing Date. References in these Conditions to **"Scheduled Pricing Date"** shall be deemed to apply mutatis mutandis in respect of any **"Scheduled Interest Pricing Date"**;

"Settlement Price" means, in respect of Commodity Warrants only, the Relevant Price, or, in the case of a Basket of Commodities, the sum of the values calculated in respect of each Basket Component as the Relevant Price of such Basket Component multiplied by the relevant Weighting;

"Specified Maximum Days of Disruption" means five (5) Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Specified Price" means, in respect of a Commodity Reference Price for a Commodity Index, (A) the closing or (B) daily official level of such Commodity Index and in respect of any other Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms on the Pricing Date;

"Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity, or in the case of a Commodity Index or any Index Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal; and

"Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or the Commodity or, in the case of a Commodity Index, Index Component on the Exchange or in any additional futures contract, options contract, commodity index or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract, Commodity or Index Component, as the case may be, is suspended subsequent to the opening of trading on the Pricing Date, trading

does not recommence prior to the regularly scheduled close of trading in such Futures Contract, Commodity or Index Component, as the case may be, on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

- (b) a limitation of trading in the relevant Futures Contract, Commodity or Index Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract, Commodity or Index Component, as the case may be, may fluctuate and the closing or settlement price of the relevant Futures Contract, Commodity or Index Component, as the case may be, on such day is at the upper or lower limit of that range.

2. **Market Disruption**

"Market Disruption Event" means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than Gold, Silver, Platinum or Palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, an Index Component Disruption Event.

The Calculation Agent shall give notice as soon as practicable to Holders, in accordance with General Condition 10, of the occurrence of a Market Disruption Event and the action proposed to be taken in relation thereto.

3. **Consequences of a Market Disruption Event and Disruption Fallbacks**

Upon a Market Disruption Event occurring or continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Calculation Agent may, in its sole and absolute discretion, take the action described in (a), (b) or (c) below:

- (a) the Calculation Agent shall determine if such event has a material effect on the Securities and, if so shall calculate the relevant Interest Amount (in the case of Certificates) and/or Cash Settlement Amount and/or make any other relevant calculation using, in lieu of a published price or level for that Commodity or Commodity Index, as the case may be, the price or level for that Commodity or Commodity Index as determined by the Calculation Agent using the Commodity Fallback Value; or
- (b) the Calculation Agent may substitute the relevant Commodity or Index Component with a Commodity or Index Component selected by it in accordance with the criteria set out below (each, a **"Substitute Commodity"** or a **"Substitute Index Component"**) for each Commodity or Index Component (each, an **"Affected Commodity"** or **"Affected Index Component"**, as the case may be), which is affected by the Market Disruption Event and the Substitute Commodity or Substitute Index Component, as the case may be, will be deemed to be a **"Commodity"** or an **"Index Component"**, as the case may be, for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of the Exercise Price (in the case of Warrants) and/or the Weighting and/or any of the other terms

of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Commodity or the Index Component, as the case may be, the initial price or level of each Substitute Commodity or Substitute Index Component, as the case may be, will be determined by the Calculation Agent in its sole and absolute discretion.

In order to be selected as a Substitute Commodity, the Substitute Commodity shall be valued on the basis of a futures contract on similar terms to, with a delivery date corresponding with and relating to the same Commodity as the Affected Commodity.

In order to be selected as a Substitute Index Component, the Substitute Index Component shall be an alternative futures contract or commodity index relating to a futures contract on similar terms to the Affected Index Component.

Such substitution and the relevant adjustment(s) will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion which may, but need not, be the relevant date of the Market Disruption Event. Such substitution will be notified to the Holders as soon as practicable after the Substitution Date in accordance with General Condition 10; or

- (c) the Issuer shall cancel (in the case of Warrants) or redeem (in the case of Certificates) all but not some only of the Securities, each Security being cancelled or redeemed by payment of an amount equal to the fair market value of such Security, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

4. Adjustments to a Commodity Index

- (a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor commodity index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Commodity Index, then in each case that commodity index (the "**Successor Commodity Index**") will be deemed to be the Commodity Index.

- (b) Modification and Cessation of Calculation of a Commodity Index

If (a) on or prior to the last Averaging Date, the last Observation Date, the Final Interest Pricing Date or the Final Pricing Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent contracts or commodities and other routine events) (a "**Commodity Index Modification**"), or permanently cancels a relevant Commodity Index and no Successor Commodity Index exists (a "**Commodity Index Cancellation**"), or (b) on any Averaging Date, Observation Date, Interest Pricing Date or other Pricing Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Commodity Index (a "**Commodity Index Disruption**" and, together with a Commodity

Index Modification and a Commodity Index Cancellation, each a "**Commodity Index Adjustment Event**"), then except as may be limited in the case of U.S. Securities:

- (i) the Calculation Agent shall determine if such Commodity Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the Relevant Price using, in lieu of a published level for that Commodity Index, the Commodity Fallback Value; or
- (ii) the Issuer may cancel (in the case of Warrants) or redeem (in the case of Certificates) the Securities by giving notice to Holders in accordance with General Condition 10. If the Securities are so cancelled or redeemed, the Issuer will pay an amount to each Holder in respect of each Security being cancelled or redeemed at an amount equal to the fair market value of a Security, taking into account the Commodity Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with General Condition 10.

5. Correction of Commodity Reference Price

With the exception of any corrections published after the day which is three Commodity Business Days prior to the due date for any payment under the Securities, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is three Commodity Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

6. Rolling Futures Contract Securities

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Commodity Reference Price in respect of the Securities will be valued by reference to rolling futures contracts each of which have delivery months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select the relevant Futures Contract and for each following day until the Futures Rollover Date such futures contract will be the Futures Contract for the purposes of the Commodity Reference Price. On each Futures Rollover Date, the Calculation Agent will select another Futures Contract and such contract shall be the Futures Contract for the purposes of the Commodity Reference Price until the next occurring Futures Rollover Date. If on a Futures Rollover Date a Market Disruption Event or a Commodity Index Adjustment Event occurs and it is impossible or materially impracticable for the Calculation Agent to select a Futures Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the provisions of Commodity Security Condition 3 (Consequences of a Market Disruption Event and Disruption Fallbacks) and Commodity Security Condition 4 (Adjustments to a Commodity Index), as applicable, shall apply to the Securities.