

<b>AVVISO</b> <b>n.6113</b>	05 Aprile 2013	SeDeX - LEV. CERTIFICATES
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Mittente del comunicato : Borsa Italiana

Societa' oggetto dell'Avviso : Societe Generale Effekten

Oggetto : Inizio negoziazione 'Leverage Certificates'  
'Societe Generale Effekten '

*Testo del comunicato*

Si veda allegato.

*Disposizioni della Borsa*

Strumenti finanziari:	<b>SG Eurostoxx50 +5x daily leverage certificate e SG Eurostoxx50 -5x daily short certificate</b>
Emittente:	Societe Generale Effekten
Rating Emittente:	Società di Rating    Long Term    Data Report Moody's Standard & Poor's Fitch Ratings
Oggetto:	<b>INIZIO NEGOZIAZIONI IN BORSA</b>
Data di inizio negoziazioni:	<b>08/04/2013</b>
Mercato di quotazione:	Borsa - Comparto SEDEX 'Leverage Certificates'
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:	Société Générale S.A. Member ID Specialist: IT0667
Limiti di variazione prezzi:	a) limite massimo di variazione del prezzo delle proposte rispetto al prezzo statico: $\pm 50\%$ b) limite massimo di variazione dei prezzi dei contratti rispetto al prezzo statico: $\pm 20\%$ c) limite massimo di variazione dei prezzi dei contratti rispetto al prezzo dinamico: $\pm 7,5\%$

### **CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE**

#### **SG Eurostoxx50 +5x daily leverage certificate e SG Eurostoxx50 -5x daily short certificate**

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo
Data di rilevazione per la determinazione dell'importo di liquidazione a scadenza:	poichè la data di rilevazione finale per la determinazione dell'importo di liquidazione è fissata in anticipo rispetto la data di scadenza si applica l'art. IA.2.9.6 comma 2 delle Istruzioni al Regolamento dei Mercati Organizzati e Gestiti da Borsa.

### **DISPOSIZIONI DELLA BORSA ITALIANA**

Dal giorno 08/04/2013, gli strumenti finanziari 'SG Eurostoxx50 +5x daily leverage certificate e SG Eurostoxx50 -5x daily short certificate ' (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Si precisa che a partire dal giorno 08/04/13, il segmento di quotazione per i certificates oggetto del presente avviso è il "segmento leverage certificates - classe B".

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	Data Scadenza	Parità	Quantità	Lotto Negoziazione	EMS	Commissione %
1	IT0006726100	SX505L	745624	SGEEU50LESLFISSAE230218	Euro STOXX 50 Daily Leverage 5 EUR Net Return	23/02/18	0,02	1500000	1	92	0,004
2	IT0006726118	SX505S	745625	SGEEU50SHSLFISSAE230218	Euro STOXX 50 Daily Short 5 EUR Gross Return	23/02/18	0,02	1500000	1	68	0,004



**APPLICABLE FINAL TERMS**

**Dated 28 February 2013**

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**  
**acting in its own name but for the account of Société Générale**

These Final Terms apply to the following series of Certificates (each a “**Series**” and collectively the “**Series**”)

<b>ISIN code</b>	<b>Aggregate Number of Securities</b>	<b>Aggregate Principal Amount</b>	<b>Series Number</b>	<b>Tranche Number</b>
IT0006726100	1,500,000.00	44,790,000.00 EUR	DE4020/13.2	1
IT0006726118	1,500,000.00	58,215,000.00 EUR	DE4021/13.2	1

**Unconditionally and irrevocably guaranteed by Société Générale**  
**under the € 30,000,000,000 Debt Issuance Programme**

**PART A – CONTRACTUAL TERMS**

Unless stated otherwise herein, capitalised terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth under the heading “*Terms and Conditions of the Italian Certificates*” (the “**Conditions**”) in the Base Prospectus dated 19 June 2012 (the **Base Prospectus**) (which (as supplemented by the supplement dated 27 June 2012 (the **Supplement**)) constitutes a base prospectus for the purposes of the Prospectus Directive (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 Member State)). This document constitutes the final terms (the **Final Terms**) of the Certificates (the **Certificates**) described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with this Base Prospectus and any Supplement; provided, however, that to the extent such Supplement (i) is published after these Final Terms have been signed and (ii) provides for any change(s) to the Conditions as set out under the heading “*Terms and Conditions of the Italian Certificates*”, such change(s) shall have no effect with respect the Conditions of the Certificates to which these Final Terms relate. Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. Prior to acquiring an interest in the Certificates described herein, prospective investors should read and understand the information provided in the Base Prospectus and any Supplement(s) and be aware of the restrictions applicable to the offer and sale of such Certificates in the United States or to, or for the account or benefit of, U.S. persons. The Base Prospectus, any Supplement(s) and these Final Terms are available for viewing at Société Générale, Frankfurt am Main branch, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main, Germany and <http://prospectus.socgen.com> and copies may be obtained free of charge from this address.

The provisions of the Technical Annex apply to these Final Terms and such documents shall be read together.

The terms of these Final Terms complete and vary the Conditions of the Certificates set out in the Base Prospectus. The Conditions so completed or varied together with the relevant provisions of these

Final Terms will form the Conditions applicable to this Series of Certificates (the **Completed Conditions**).

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

The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more shares in companies, any other equity or non-equity securities, indices, currencies or currency exchange rates, interest rates, dividends, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or bond or futures contracts, unit linked features (accounting units) or the occurrence or not of certain events not linked to the Issuer or the Guarantor or a basket thereof or any combination thereof to which the Certificates are linked (the **Underlyings**) consists only of extracts from, or summaries of, publicly available information. The Issuer and the Guarantor accept responsibility that such information has been correctly extracted or summarized. No further or other responsibility in respect of such information is accepted by the Issuer and the Guarantor. In particular, the Issuer and the Guarantor and the Dealer accept no responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Certificates or that there has not occurred any event which would affect the accuracy or completeness of such information.

No person has been authorised to give any information or to make any representation other than those contained in these Final Terms in connection with the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Guarantor. The delivery of these Final Terms at any time does not imply that the information in it is correct as any time subsequent to this date.

The purchase of the Certificates issued under the Programme is associated with certain risks. Each prospective investor in Certificates must ensure that the complexity and risks inherent in the Certificates are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Certificates unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of Certificates should consider carefully whether the Certificates are suitable for it in the light of its circumstances and financial position.

**The investor should only invest in the Certificates if it is able to understand the Terms and Conditions. All investors should be versed in respect of the Certificates and should particularly understand and comprehend the yield of the Certificates (*Leistungsversprechen*) promised by the Issuer and the Guarantor in its entirety. If this is not the case, an investment in the Certificates is not advised.**

Prospective investors in Certificates should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Certificates for them as an investment.

Under normal market conditions, Société Générale will organise a secondary market in respect of the Certificates.

- |    |      |                       |                                      |
|----|------|-----------------------|--------------------------------------|
| 1. | (i)  | <b>Issuer</b>         | Société Générale Effekten GmbH       |
|    | (ii) | <b>Guarantor</b>      | Société Générale                     |
| 2. | (i)  | <b>Series Number</b>  | See Table in paragraph 40            |
|    | (ii) | <b>Tranche Number</b> | Tranche 1, in respect of each Series |

<b>3. Specified Currency or Currencies</b>	EUR, in respect of each Series
<b>4. Aggregate Number of Securities</b>	
(i) Tranche	See Table in paragraph 40
(ii) Series	See Table in paragraph 40
<b>5. Issue Price</b>	See Table in paragraph 40
<b>6. Specified Denomination(s)</b>	See Table in paragraph 40
<b>7. Issue Date</b>	28.02.2013
<b>8. Final Exercise Date</b>	23.02.2018
<b>9. Final Exercise/Payment Basis</b>	See paragraphs 17 to 22 below
<b>10. Change of Final Exercise/Payment Basis</b>	See paragraphs 18 to 22 below
<b>11. Call/Put Options</b>	See paragraphs 18 to 19 below
<b>12. Status of the Certificates</b>	Unsubordinated
<b>13. Method of distribution</b>	Non-syndicated

**PROVISIONS RELATING TO INTERIM PAYMENT[S] (IF ANY)**

<b>14. Fixed Amount Provisions</b>	Not Applicable
<b>15. Interim Amount Provisions</b>	Not Applicable
<b>16. Dual Currency Certificate Provisions</b>	Not Applicable

**PROVISIONS RELATING TO PHYSICAL DELIVERY**

<b>17. Physical Delivery Certificate Provisions</b>	Not Applicable
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**PROVISIONS RELATING TO EXERCISE**

<b>18. Exercise at the option of the Issuer (other than for Tax Reasons, if applicable)</b>	Applicable
(i) Optional Exercise Date(s)	Any Exchange Business Day between the 180th calendar day following the Issue Date (excluded) and the Final Valuation Date (excluded), selected by the Issuer to terminate its obligations under the Certificates, after having given to the Holders, at least, a 90 calendar days' Notice.
(ii) Optional Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s)	Unless previously redeemed or purchased or cancelled, if the Issuer decides to terminate on the Optional Exercise Date its obligations

under the Certificates, each Certificate entitles the Holder to receive on the Early Settlement Date the Optional Exercise Amount in accordance with the following provisions:

MAX [Multiplier x Parity x Value<sub>E</sub> - C - GC; 0]

- (iii) If exercisable in part
  - (a) Minimum Exercise Amount Not Applicable
  - (b) Maximum Exercise Amount Not Applicable
- (iv) Notice Period At least 90 calendar days

**19. Exercise at the option of the Holders**

Applicable

- (i) Put Exercise Date(s)

The 30th calendar day following the Business Day on which a duly completed Exercise Notice is received by the Paying Agent and the Calculation Agent, subject to the delivery of relevant Certificates to the Paying Agent, provided that, if such 30th calendar day is not an Exchange Business Day, the Put Exercise Date will be postponed to the first following Exchange Business Day.

The exercise by the Holders can be performed on any Business Day between the Issue Date (excluded) and

- (a) the 30th calendar day before the Final Valuation Date (excluded) or
- (b) the day on which the Issuer publishes the Notice notifying the Optional Exercise Date (excluded).

In order to perform the Exercise, the Holders must send by FAX a duly completed Exercise Notice, in the form of the Annex 2 hereto, to the Paying Agent and to the Calculation Agent. The Exercise Notice shall be considered valid only after the delivery of the relevant Certificates by the Holder to the Paying Agent. The minimum number of Certificates exercisable is 1,000 (one thousand) Certificates or an integral multiple.

(ii)	Put Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s)	Unless previously redeemed or purchased or cancelled, in case of exercise of the Certificates by any Holder, in respect of the Certificates held by the relevant Holder, each Certificate entitles the Holder to receive on the Early Settlement Date the Put Exercise Amount in accordance with the following provisions:  MAX [Multiplier x Parity x Value <sub>E</sub> - C - GC; 0]
(iii)	Notice Period	30 calendar days following the Business Day on which a duly completed Exercise Notice is received by the Paying Agent and the Calculation Agent, subject to the delivery of relevant Certificates to the Paying Agent.
<b>20.</b>	<b>Final Exercise Amount</b>	See the Schedule
(i)	Underlying	See the Schedule
(ii)	Initial Closing Price	Not Applicable
(iii)	Final Closing Price	See the Schedule
(iv)	Multiplier	See the Schedule
(v)	Final Exercise Amount	See the Schedule
(vi)	Valuation Date(s)	See the Schedule
(vii)	Index/Formula	See the Schedule
(viii)	Calculation Agent responsible for calculating the Final Exercise Amount (if not the Agent)	Société Générale
(ix)	Provisions for determining the Final Exercise Amount where calculation by reference to Index and/or Formula is impossible or impracticable	As provided in the Technical Annex
(x)	Automatic Exercise at Final Exercise Date	Applicable
(xi)	Waiver of Automatic Exercise at Final Exercise Date	By Notice Date, as specified in Condition 5 (g)
(xii)	Minimum Trading Lot	As specified in Condition 5 (g) and in accordance with the Listing Rules of Borsa Italiana S.p.A., if applicable.

(xiii) Final Valuation Date 5th Exchange Business Day before Final Exercise Date

(xiv) Final Payment Date Final Exercise Date

<b>21.</b>	<b>Final Exercise Date</b>	See paragraph 8 above
	(i) Specified Final Exercise Date	Not Applicable
	(ii) Exercise Month	Not Applicable

**22. Early Exercise Amount(s) payable on exercise due to Tax Reasons or due to an Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)** Market Value

**23. Credit Linked Certificate Provisions** Not Applicable

**PROVISIONS RELATING TO KNOCK-IN/-OUT EVENTS**

**24. Knock-In/-Out Event(s)** Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

**25. Form of Certificates** Permanent Global Certificate, which will be deposited in the central clearing system managed by Monte Titoli S.p.A.  
  
The Certificates will be held in dematerialised form in accordance with Italian laws and regulations.

**26. Payments on Temporary Global Certificates Restricted** Not Applicable

**27. "Payment Business Day" election** Following Payment Business Day

**28. Financial Centre(s)** Not Applicable

**29. Redenomination** Not Applicable

**OTHER FINAL TERMS**

**30. Other final terms** See the Schedule

**NOTICES**

**31. Means of publication** <http://prospectus.socgen.com>

**32. Clearing System Delivery Period** Not Applicable

**PLAN OF DISTRIBUTION AND ALLOTMENT**

- |   |                |
|---|----------------|
| <b>33. Notification Process for allotted amount</b>                         | Not Applicable |
| <b>34. Tranche reserved to one of the countries where the Offer is made</b> | Not Applicable |

**PLACING AND UNDERWRITING**

- |  |   |
|--|---|
| <b>35. (i) If syndicated, names and addresses and underwriting commitments of Managers</b> | Not Applicable  |
| <b>(ii) Date of Subscription Agreement</b>   | Not Applicable  |
| <b>(iii) Stabilising Manager (if any)</b>  | Not Applicable  |
| <b>36. If non-syndicated, name and address of the relevant Dealer</b>                      | Société Générale<br>Tours Société Générale<br>17, Cours Valmy<br>92987 Paris-La Défense Cedex 7 |
| <b>37. Total commission and concession</b>   | There is no commission and/or concession paid by the Issuer to the Dealer                       |
| <b>38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable</b>       | Not Applicable  |
| <b>39. Additional selling restrictions</b>   | Not Applicable  |
| <b>40. Table</b>   | Applicable (see the table on the following page)  |

**GOVERNING LAW**

- |                          |  |
|--------------------------|--|
| <b>41. Governing Law</b> | The Certificates and any non-contractual obligations arising out of or in connection with the Certificates will be governed by, and shall be construed in accordance with, German law. |
|--------------------------|--|

The Guarantee and any non-contractual obligations arising out of or in connection with the Guarantee will be governed by, and shall be construed in accordance with, French law.

**Table of Paragraph 40**

<b>ISIN code</b>	<b>CED Code</b>	<b>Series Number</b>	<b>Tranche Number</b>	<b>Final Exercise Date</b>	<b>Issue Price</b>	<b>Specified Denomination(s)</b>	<b>Aggregate Number of Securities</b>	<b>Aggregate Principal Amount of Tranche</b>	<b>Underlying</b>
IT0006726100	SX505L	DE4020/13.2	1	23.02.2018	29.86 EUR	29.86 EUR	1,500,000.00	44,790,000.00 EUR	Euro STOXX 50 Daily Leverage 5 EUR Net Return
IT0006726118	SX505S	DE4021/13.2	1	23.02.2018	38.81 EUR	38.81 EUR	1,500,000.00	58,215,000.00 EUR	Euro STOXX 50 Daily Short 5 EUR Gross Return

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue of the Certificates and listing on the Italian Exchange for admission to trading on the Securitised Derivatives Market (**SeDeX**), organised and managed by Borsa Italiana S.p.A., described herein by Société Générale Effekten GmbH pursuant to its € 30,000,000,000 Debt Issuance Programme for which purpose they are hereby submitted.

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms under § 5 Sec. (4) German Securities Prospectus Act (*Wertpapierprospektgesetz*).

Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor declare that, to the best of their knowledge, the information contained in these Final Terms is accurate and does not contain any material omissions.

Signed on behalf of the Issuer:

By: Markus JAKUBOWSKI

*Duly authorized*

By: Achim OSWALD

*Duly authorized*

Signed on behalf of the Guarantor:

By: Markus JAKUBOWSKI

*Duly authorized*

By: Achim OSWALD

*Duly authorized*

**PART B – OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

- |      |                      |   |
|------|----------------------|---|
| (i)  | Listing              | Application will be made to list the Certificates on the Italian Exchange.  |
| (ii) | Admission to trading | Application will be made to admit to trading the Certificates on SeDeX, organised and managed by Borsa Italiana S.p.A. Société Générale will act as Specialist for the Certificates, in accordance with the rules and regulations of SeDeX. |

**2. RATINGS**

- |         |  |
|---------|--|
| Ratings | The Certificates to be issued have not been rated. |
|---------|--|

**3. NOTIFICATION**

The *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin), Germany, has provided the *Commissione Nazionale per le Società e la Borsa* (CONSOB), Italy with a certificate of approval attesting that the Base Prospectus and the Supplement have been drawn up in accordance with the Prospectus Directive.

**4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Dealer(s) so far as the Issuer is aware, no person involved in the issue of the Certificates has an interest material to the offer.

The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Certificates. Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Certificates and (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the Holders.

**5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |       |                          |   |
|-------|--------------------------|---|
| (i)   | Reasons for the offer    | See "Use of Proceeds" wording in Base Prospectus  |
| (ii)  | Estimated net proceeds   | Not Applicable  |
| (iii) | Estimated total expenses | Not Applicable  |
| (iv)  | Taxes and other expenses | Taxes charged in connection with the subscription, transfer, purchase or holding of the Certificates must be paid by the Holders and neither the Issuer nor |

the Guarantor shall have any obligation in relation thereto; in that respect, Holders shall consult professional tax advisers to determine the tax regime applicable to their own situation. Other expenses that may be charged to the Holders, *inter alia* by Distributors, in relation to the subscription, transfer, purchase or holding of the Certificates, cannot be assessed or influenced by the Issuer or the Guarantor and are usually based on the relevant intermediary's business conditions.

**6. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Under these Certificates, the Holders will not receive any interim amount during the term of the Certificates. At maturity, the Holders are entitled to receive an amount linked to the performance of the Underlying(s).

The return of these Certificates is linked to the performances of the Underlying(s) as calculated on the Final Valuation Date. Under these Certificates, at maturity, the Holders may not receive the amount initially invested. Holders are entitled to receive a Final Exercise Amount which may, in case of an adverse evolution of the Underlying(s) during the term of the Certificates, be significantly lower than the amount per Certificate initially invested up to a total loss.

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)**

Not Applicable

**8. OPERATIONAL INFORMATION**

- |                          |   |
|--------------------------|---|
| (i) ISIN code            | See Table in paragraph 40. of Part A – Contractual Terms              |
| (ii) Common Code         | Not Applicable  |
| (iii) Clearing System(s) | Monte Titoli S.p.A., Piazza degli Affari, 6, 20121 Milano (MI), Italy |

**9. Delivery** Delivery against payment

**10 Name(s) and address(es) of Additional Paying Agent(s) and Settlement Agent (if any)** BNP Paribas Securities Services, Milan  
Via Ansperto, 5  
20123 Milano – Italy

11. **Address and contact details of Société Générale for all administrative communications relating to the Certificates**
- Société Générale  
17, cours Valmy  
92987 Paris La Défense Cedex France
- Telephone: +33 1 42 13 86 92  
(Hotline)  
Facsimile: +33 1 42 13 75 01  
Attention: Equity Derivatives - Client Services  
Mail: clientsupport-deai@sgcib.com

**12 PUBLIC OFFERS**

Not Applicable

**Post-issuance information:** The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Certificates constituting derivative securities.

**SCHEDULE**

*(This Schedule forms part of the Final Terms to which it is attached)*

**Part 1**

1.	(i) Issuer	Société Générale Effekten GmbH
	(ii) Guarantor	Société Générale
3.	Specified Currency or Currencies	EUR, in respect of each Series
4.	Aggregate Number of Securities	
	(i) Tranche	See Table in paragraph 40. of Part A – Contractual Terms
	(ii) Series	See Table in paragraph 40. of Part A – Contractual Terms
5.	Issue Price	See Table in paragraph 40. of Part A – Contractual Terms
6.	Specified Denomination(s)	See Table in paragraph 40. of Part A – Contractual Terms
7.	Issue Date	28.02.2013
8.	Final Exercise Date	23.02.2018
<b>1.(i) Part B</b>	Listing	Application will be made to list the Certificates on the Italian Stock Exchange and to admit to trading the Certificates on SeDeX, organised and managed by Borsa Italiana S.p.A.
<b>18.</b>	<b>Exercise at the option of the Issuer (other than for Tax Reasons, as specified in Condition 5 (b), if applicable)</b>	Applicable
	(i) Optional Exercise Date(s)	Any Exchange Business Day between the 180th calendar day following the Issue Date (excluded) and the Final Valuation Date (excluded), selected by the Issuer to terminate its obligations under the Certificates, after having given to the Holders, at least, a 90 calendar days' Notice.
	(ii) Optional Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s)	Unless previously redeemed or purchased or cancelled, if the Issuer decides to terminate on the Optional Exercise Date its obligations under the Certificates, each Certificate entitles the Holder to receive on the Early Settlement Date the Optional Exercise Amount in accordance with the following provisions:  MAX [Multiplier x Parity x Value <sub>E</sub> - C - GC; 0]

- (iii) If exercisable in part
  - (a) Minimum Exercise Amount Not Applicable
  - (b) Maximum Exercise Amount Not Applicable
- (iv) Notice Period At least 90 calendar days

**19. Exercise at the option of the Holders** Applicable

- (i) Put Exercise Date(s)

The 30th calendar day following the Business Day on which a duly completed Exercise Notice is received by the Paying Agent and the Calculation Agent, subject to the delivery of relevant Certificates to the Paying Agent, provided that, if such 30th calendar day is not an Exchange Business Day, the Put Exercise Date will be postponed to the first following Exchange Business Day.

The exercise by the Holders can be performed on any Business day between the Issue Date (excluded) and

- (a) the 30th calendar days before Final Valuation Date (excluded) or
- (b) the day on which the Issuer publishes the Notice notifying the Optional Exercise Date (excluded).

In order to perform the Exercise, the Holders must send by FAX a duly completed Exercise Notice, in the form of the Annex 2 hereto, to the Paying Agent and to the Calculation Agent. The Exercise Notice shall be considered valid only after the delivery of the relevant Certificates by the Holder to the Paying Agent. The minimum number of Certificates exercisable is 1,000 (one thousand) Certificates or an integral multiple.

- (ii) Put Exercise Amount(s) of each Certificate and method, if any, of calculation of such amount(s)

Unless previously redeemed or purchased or cancelled, in case of exercise of the Certificates by any Holders, in respect of the Certificates held by the relevant Holder, each Certificate entitles the Holder to receive on the Early Settlement Date the Put Exercise Amount in accordance with the following provisions:

$MAX [Multiplier \times Parity \times Value_E - C - GC; 0]$

- (iii) Notice Period 30 calendar days following the Business Day on which a duly completed Exercise Notice is received by the Paying Agent and the Calculation Agent, subject to the delivery of relevant Certificates to the Paying Agent.

**20. Final Exercise Amount** Index Linked

- (i) Underlying See in Part 2 – Definitions below
- (ii) Initial Closing Price Not Applicable
- (iii) Final Closing Price Means the Closing Price of the Underlying on the Final Valuation Date in the Part 2 Definitions
- (iv) Multiplier 0.02
- (v) Final Exercise Amount See subparagraph (vii) below
- (vi) Valuation Date See in Part 2 - Definitions below
- (vii) Index/Formula Unless previously redeemed or purchased or cancelled the Issuer shall redeem the Certificates on Final Exercise Date in accordance with the following provisions in respect of each Certificate:
- MAX [Multiplier x Parity x Value<sub>Final</sub> - C - GC; 0]
- (viii) Calculation Agent responsible for calculating the Final Exercise Amount (if not the Agent) As provided in the Technical Annex
- (ix) Provisions for determining the Final Exercise Amount where calculation by reference to Index and/or Formula is impossible or impracticabl: As provided in the Technical Annex
- (x) Automatic Exercise at Final Exercise Date Applicable
- (xi) Waiver of Automatic Exercise at Final Exercise Date By Notice Date, as specified in Condition 5 (g)
- (xii) Minimum Trading Lot 1 Certificate as specified in the Terms and Conditions in accordance with the Listing Rules of Borsa Italiana S.p.A., if applicable.
- (xiii) Final Valuation Date 5th Exchange Business Day before Final Exercise Date
- (xiv) Final Payment Date Final Exercise Date

**30. Other final terms**

For the purposes of these Final Terms, the following amendments to the Equity Technical Annex (reported as Part A) of the Technical Annex) apply:

In paragraph I.2 of the Equity Technical Annex, under the definition of “Market Disruption Event”, the terms “Trading Disruption”, “Exchange Disruption” and “Early Closure” are modified by replacing the words “20 per cent.” with the words “10 per cent.”. In paragraph III. of the Equity Technical Annex, the definition of “Exchange Business Day” is amended by inserting the following additional wording at the end of it: “and the relevant Exchanges of the shares that comprise 10 per cent. or more of the level of the Index are open for trading during their regular trading session, notwithstanding any such Exchange closing prior to its Scheduled Closing Time”; In paragraph III.

of the Equity Technical Annex, the definition of “Scheduled Trading Day” is amended by inserting the following additional wording at the end of it: “and (c) the Exchanges of the shares that comprise 10 per cent. or more of the level of the Index are scheduled to be open for trading during their regular trading session”.

**Part 2 (Definitions)**

*Terms used in the formulae above are described in this Part 2.*

<b>Final Valuation Date</b>	5th Exchange Business Day before Final Exercise Date
<b>Early Settlement Date</b>	The sixth Business Day following the applicable Early Valuation Date.
<b>Early Valuation Date</b>	The Optional Exercise Date on which the Certificates are exercised by the Issuer or any Put Exercise Date on which the Certificates are exercised by any Holders, as the case may be.

**Underlying** The following Indices as defined below:

Index Name	Bloomberg Ticker	Index Sponsor	Web Site*
Euro STOXX 50 Daily Leverage 5 EUR Net Return	SX5TDL5	STOXX Limited, Zürich	<a href="http://www.stoxx.com">http://www.stoxx.com</a>
Euro STOXX 50 Daily Short 5 EUR Gross Return	SX5GT5S	STOXX Limited, Zürich	<a href="http://www.stoxx.com">http://www.stoxx.com</a>

*\*The information relating to the past and future performances of any Underlying is available on the website of the Company or of the Index Sponsor, as applicable, and the volatility can be obtained, upon request, at the specified office of Société Générale (see in address and contact details of Société Générale for all administrative communications relating to the Certificates).*

**Closing Price** For Shares or Indices, as defined in Part 1 of the Equity Technical Annex.

**Value<sub>Final</sub>** Closing Price of the Underlying on Final Valuation Date

**Value<sub>E</sub>** Closing Price of the Underlying on Early Valuation Date

**Parity** The parity is initially equal to 1.  
The Calculation Agent will adjust the Parity in equitable discretion with the purpose to maintain on the same levels the ratio between the performance of the Certificates and the performance of the Underlying Index. Such adjustment will be made on any Exchange Business Day(j) (selected by the Calculation Agent at its own discretion) according to the following formula:

$$\text{new Parity} = \frac{\text{former Parity} \times \text{Multiplier} \times \text{VALUE}_j - C_j - GC_j}{\text{Multiplier} \times \text{VALUE}_j}$$

The adjusted level will be published on the website [www.warrants.it](http://www.warrants.it)

where :

**VALUE<sub>j</sub>** means the Closing Price of the Index on the Exchange Business Day(j).

**C<sub>j</sub>** means the sum of Commissions calculated between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last

change of Parity (excluded) and the Exchange Business Day(j) (included).

**GC<sub>j</sub>** means the sum of Gap Commissions calculated between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last change of Parity (excluded) and the Exchange Business Day(j) (included).

**Commissions or C**

The sum of commissions calculated on each calendar day between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last change of Parity (excluded) and the Final Valuation Date (included) or, when applicable, the Early Valuation Date (included). On each calendar day, the commission will be equal to CR<sub>t</sub> multiplied by the Intrinsic Value of the Certificate calculated in Euro.

where :

**Commission Rate** or CR<sub>t</sub> means the commission rate on each calendar day(t). The current level will be defined by the Calculation Agent and published on the website [www.warrants.it](http://www.warrants.it) with a maximum annualized rate of 0.40%.

**Intrinsic Value** means the intrinsic value on each calendar day(t) which will be equal to :

$$\text{MAX}\{\text{Multiplier} \times \text{Parity} \times \text{VALUE}_t - C_{t-1} - \text{GC}_{t-1}; 0\}$$

with:

**VALUE<sub>t</sub>** means the last known Closing Price of the Index on each calendar day(t).

**C<sub>t-1</sub>** means the sum of Commissions calculated between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last change of Parity (excluded) and the calendar day(t-1) (included).

**GC<sub>t-1</sub>** means the sum of Gap Commissions calculated between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last change of Parity (excluded) and the calendar day(t-1) (included).

**Gap Commissions or GC**

The sum of gap commissions calculated on each calendar day between the Issue Date (included) or, when the Parity has been adjusted, between the date of the last change of Parity (excluded) and the Final Valuation Date (included) or, when applicable, the Early Valuation Date (included). Each calendar day(t), the gap commission will be equal to :

$$\frac{1}{365} \times \text{Multiplier} \times \text{Parity} \times \text{GAP}_t \times \text{VALUE}_t$$

with:

**GAP<sub>t</sub>** means the gap cost each calendar day(t) as calculated by the Calculation Agent. The gap cost results from the cost to cover the risk of extreme market movements. The current level will be defined by the Calculation Agent and published on the website [www.warrants.it](http://www.warrants.it)

**Exchange Business Day**

Refer to the definition of the Equity Technical Annex as amended for the purpose of these Final Terms

**Exchange**

Each exchange on which Index components are traded, from time to time, as such components are determined by the Index Sponsor

**Related Exchange**

Eurex Exchange

**Part 3: Information relating to the Underlying**

Information or summaries of information included herein with respect to the Underlying(s) has been extracted or obtained, as the case may be, from general databases released publicly or by any other available information. The Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as it is aware and are able to ascertain from information published, no facts have been omitted which would render the reproduced information, inaccurate or misleading.

**Part 4: Additional Information**

Location where the Prospectus and the Final Terms can be collected or inspected free of charge in Italy:

Société Générale,  
Via Olona n.2, 20123 Milano  
Italy

and on the following website :

<http://prospectus.socgen.com>

STOXX and its licensors (the "Licensors") have no relationship to the Licensee, other than the licensing of the STOXX Leverage and Short Indices<sup>®</sup> and the related trademarks for use in connection with the products.

**STOXX and its Licensors do not:**

- Sponsor, endorse, sell or promote the products.
- Recommend that any person invest in the products or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of products.
- Have any responsibility or liability for the administration, management or marketing of the products.
- Consider the needs of the products or the owners of the products in determining, composing or calculating the relevant index or have any obligation to do so.

**STOXX and its Licensors will not have any liability in connection with the products.  
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 products, the owner of the products or any other person in connection with the use of the STOXX Leverage and Short Indices<sup>®</sup> and the data included in the STOXX Leverage and Short indices<sup>®</sup>;**
- **The accuracy or completeness of the STOXX Leverage and Short indices<sup>®</sup> and its data;**
- **The merchantability and the fitness for a particular purpose or use of the STOXX Leverage and Short indices<sup>®</sup> and their data;**
- **STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the STOXX Leverage and Short indices<sup>®</sup> or their 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 the issuer and STOXX is solely for their benefit and not for the benefit of the owners of the products or any other third parties.**

**Part 5: Additional Risk factors**

Not Applicable

**ANNEX 1**

**FORM OF WAIVER NOTICE**

**From** : [name and address of the Holder]  
**To** : Agent and Calculation Agent – Société Générale  
**Copy to** : BNP PARIBAS Securities Services (Additional Paying Agent)

**Issue of the following Series of Certificates**

<b>ISIN code</b>	<b>Series Number</b>	<b>Final Exercise Date</b>
IT0006726100	DE4020/13.2	23.02.2018
IT0006726118	DE4021/13.2	23.02.2018

**Issued by**

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**  
**acting in its own name but for the account of Société Générale**

**Unconditionally and irrevocably guaranteed by Société Générale**  
**under the € 30,000,000,000 Debt Issuance Programme**

Words and expressions defined in the terms and conditions of the Certificates as set out in the Base Prospectus dated 19 June 2012 and any amendments or supplements thereto and the Final Terms dated 28.02.2013 (the "Conditions") relating to the present issue of Certificates shall have the same meanings where used herein (unless the context otherwise requires).

When completed, this Notice should be sent by the Holder to the Agent with a copy to the Calculation Agent and BNP PARIBAS Securities Services on the Notice Date prior to 10.00 a.m (Paris time).

For the purpose of this Notice, Notice Date means the first Business Day immediately following the last Valuation Date (as defined in these Final Terms) and "Business Day" means a day on which the Calculation Agent is open for business in Paris and commercial banks are open for general business in Milan.

If no instruction is received on the Notice Date or the Notice is received after 10.00 a.m. (Paris time) on the Notice Date, the Final Exercise Amount shall be redeemed automatically by the Issuer on the Final Exercise Date.

Any notice which is not duly completed in accordance with the Conditions shall be deemed to be null and void.

Delivery of Notice (whether in writing or by fax) shall constitute an irrevocable election and undertaking by the relevant Holder to waive the Final Exercise Amount.

**AGENT and CALCULATION AGENT : Société Générale**, Tour Société Générale – 92987 Paris-La Défense.  
Attention : OPER/GED/BAC/COR/PRI/SPE  
Swift: SOGEFRPPHCM  
(with copy to the following fax n. 0033-1- 42 13 32 23)

**and**

**BNP PARIBAS Securities Services - Succursale di Milano**  
**Tel. + 39 02 7247 4625**  
**Fax + 39 02 7247 4260**

**Swift PARBITMMXXX  
Telex 042 210041**

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**Name of the Holder** :

**Address of the Holder** :

**Phone number of the Holder** :

**Fax number of the Holder** :

**Contact name** :

With this Notice we waive irrevocably the Final Exercise Amount as determined by the Calculation Agent in accordance with the provisions of the Conditions as defined above relating to the present issue of Certificates.

ISIN Code:

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Account Number:

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Market Member:

---

Series of Certificates:

---

Number of Certificates:

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Address:

---

Signature of the Holder

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**ANNEX 2**

**FORM OF EXERCISE NOTICE**

**From** : [name and address of the Holder]  
**To** : Agent and Calculation Agent – Société Générale  
**Copy to** : BNP PARIBAS Securities Services (Additional Paying Agent)

**Issue of the following Series of Certificates**

<b>ISIN code</b>	<b>Series Number</b>	<b>Final Exercise Date</b>
IT0006726100	DE4020/13.2	23.02.2018
IT0006726118	DE4021/13.2	23.02.2018

**Issued by**

**SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH**  
**acting in its own name but for the account of Société Générale**

**Unconditionally and irrevocably guaranteed by Société Générale**  
**under the € 30,000,000,000 Debt Issuance Programme**

Words and expressions defined in the terms and conditions of the Certificates as set out in the Base Prospectus dated 19 June 2012 and any amendments or supplements thereto and the Final Terms dated 28.02.2013 (the "Conditions") relating to the present issue of Certificates shall have the same meanings where used herein (unless the context otherwise requires).

When completed, this Notice should be sent by fax by the Holder to the Agent with a copy to the Calculation Agent and BNP PARIBAS Securities Services in any Business Day between the Issue Date (excluded) and the 30th calendar days before Final Valuation Date (excluded) or the day on which the Issuer publishes the Notice notifying the Optional Exercise Date (excluded). The Exercise Notice shall be considered valid only after the delivery of relevant Certificates to the Paying Agent. The minimum number of Certificates exercisable is 1,000 (one thousand) Certificates or an integral multiple.

Delivery of Notice by fax shall constitute an irrevocable request of early exercise by the relevant Holder and so to receive the Put Exercise Amount, as defined in paragraphs 19 of these Final Terms.

Any notice which is not duly completed in accordance with the Conditions shall be deemed to be null and void.

**AGENT and CALCULATION AGENT : Société Générale**, Tour Société Générale – 92987 Paris-La Défense. Attention : OPER/GED/BAC/COR/PRI/SPE  
Swift: SOGEFRPPHCM  
(with copy to the following fax n. 0033-1- 42 13 32 23)

**and**

**BNP PARIBAS Securities Services - Succursale di Milano**  
**Tel. + 39 02 7247 4625**  
**Fax + 39 02 7247 4260**  
**Swift PARBITMMXXX**  
**Telex 042 210041**

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**Name of the Holder** :

**Address of the Holder** :

**Phone number of the Holder** :

**Fax number of the Holder** :

**Contact name** :

With this Notice we request the early exercise and the payment of Put Exercise Amount as determined by the Calculation Agent in accordance with paragraphs 19 of the Final Terms relating to the present issue of Certificates.

ISIN Code:

---

Account Number:

---

Market Member:

---

Series of Certificates:

---

Number of Certificates:

---

Address:

---

Signature of the Holder

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**SOCIETE GENERALE**  
Corporate & Investment Banking

## **Comunicazione livelli parametri definiti nei Final Terms**

Con riferimento ai Certificate “SG EURO STOXX 50 +5X DAILY LEVERAGE CERTIFICATE” (Codice ISIN IT0006726100; Codice di Negoziazione SX505L) e “SG EURO STOXX 50 -5X DAILY SHORT CERTIFICATE” (Codice ISIN IT0006726118; Codice di Negoziazione SX505S), si comunicano i livelli dei seguenti parametri definiti nei relativi Final Terms: la “Parity” è stabilita uguale a 1, le “Gap Commissions” sono fissate fino al 07/04/2013 a 0% e successivamente saranno indicativamente pari a 5 x 0,5% e le “Commissions” sono pari ad una percentuale annua di 0,4%. Tali livelli saranno validi fino a nuova comunicazione. Futuri aggiornamenti saranno disponibili sul sito internet [www.warrants.it](http://www.warrants.it).

**Distinti saluti**  
**Société Générale**

TERMS AND CONDITIONS OF THE ITALIAN CERTIFICATES

*The following, together with the Technical Annex (if applicable), are the Terms and Conditions (the **Conditions**) of the Italian Certificates to be issued under German law. The applicable Final Terms in relation to any Tranche of Italian Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, complete the following and meet the purpose of such Italian Certificates.*

*The provisions of these Conditions apply to the Italian Certificates as completed in whole or in part, by the applicable Final Terms, which are attached hereto and which together with the Conditions will apply to the Italian Certificates to be issued under the Debt Issuance Programme and will be endorsed on, attached to or incorporated by reference into each Global Certificate.*

*Without prejudice to the foregoing paragraph, when the Certificates qualify as securities (the **Securities**) to be distributed in Italy, the term “Certificates” shall be deemed to be instead to “Italian Certificates” (the **Italian Certificates**, which expression shall include Italian Certificates to be listed for admission to trading on SeDeX and/or to be admitted to trading on other regulated or unregulated markets with similar listing requirements, the **Italian Listed Certificates**) in all applicable provisions*

This Certificate is one of a Series (as defined below) of Certificates. Reference herein to the **Issuer** shall be references to Société Générale Effekten GmbH, as specified in the applicable Final Terms (as defined below) and in the case of any substitution of the Issuer in accordance with Condition 11, the **Substitute Debtor** as defined in Condition 11).

References herein to the **Certificates** shall be references to the Certificates of this Series and shall mean (i) in relation to any Certificate(s) represented by a global Certificate, units of each Specified Denomination in the Specified Currency of issue and (ii) any global Certificate in bearer form (a **Global Certificate**)

References herein to **Holder** in relation to any Certificates shall mean the holders of the Certificates and shall, in relation to any Certificates represented by a Global Certificate, be construed as provided below.

References herein to “Monte Titoli S.p.A.” (as defined below) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms and approved by the Issuer, the Guarantor, the Agent, and in the case of Certificates listed in the Italian Stock Exchange, the Italian Stock Exchange.

The final terms for this Certificate (or other relevant provisions thereof) are set out in Part A of the Final Terms that are endorsed on, attached to, incorporated by reference in, this Certificate and which complete these terms and conditions (the **Conditions**). The applicable final terms (or other relevant provisions thereof) complete these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Certificate.

References herein to the **applicable Final Terms** are to Part A of the Final Terms (or other relevant provisions thereof) and, if applicable, the schedule to the applicable Final Terms (the **Schedule**), which applicable Final Terms are endorsed on, attached to, incorporated by reference in, this Certificate.

References herein to **Tranche** shall mean Certificates which are identical in all respects and references herein to **Series** shall mean a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are (a) expressed to be consolidated and form a single Series and (b) identical in all respects except for their respective Issue Date and/or Issue Price.

References herein to **Physical Delivery Certificates** shall mean any Series of Certificates specified as such in the applicable Final Terms in respect of which an amount of principal and/or interim amount

is payable and/or (by reference to any underlying security or asset described in the applicable Final Terms (the **Underlying Asset(s)**) a physical delivery amount (the **Physical Delivery Amount**) (being the number of Underlying Asset(s) plus/minus any amount due to/from the Holder in respect of each Certificate) is deliverable and/or payable, in each case by reference to one or more Underlying Asset(s) as indicated in the applicable Final Terms.

In these Conditions, the **Guarantor** shall mean Société Générale in its capacity as guarantor pursuant to the Guarantee (as defined in Condition 2(b)) in respect of any Certificates issued by the Issuer. Accordingly, references herein to the Guarantor are applicable only in the context of such Certificates.

## **BASIC TERMS**

### **CONDITION 1 - FORM, DENOMINATION, TITLE AND REDENOMINATION**

The Certificates are issued in bearer form in the Specified Currency (the **Specified Currency**) in the Aggregate Number of Securities (the **Aggregate Number of Securities**), divided into Certificates in the Specified Denomination (the **Specified Denomination**) each, specified in the applicable Final Terms. Certificates of one Specified Denomination may not be exchanged for Certificates of another Specified Denomination.

The Certificates may be represented by a permanent global bearer Certificate (a **Permanent Global Certificate**) or initially represented by a temporary global bearer Certificate (a **Temporary Global Certificate**). The Temporary Global Certificate and/or the Permanent Global Certificate shall bear the manual or facsimile signatures of two duly authorised officers of the Issuer.

The Temporary Global Certificate and/or the Permanent Global Certificate will be deposited in the central clearing system managed by Monte Titoli S.p.A. (**Monte Titoli**, also referred to as the **Clearing System**). As better described below, the Certificates will be transferred in accordance with dematerialised securities regulations contained under the Italian legislative decree and subsequent implementing provisions.

The Temporary Global Certificate will be exchangeable, free of charge to the Holder, on or after its Exchange Date (as defined below), in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Certificate for a Permanent Global Certificate (the Temporary Global Certificate and the Permanent Global Certificate, each a **Global Certificate**) without interest coupons.

For the purposes of this Condition:

**Exchange Date** means a day falling not earlier than forty (40) days after the date of issue of the Temporary Global Certificate.

The right of the Holders to require the issue and delivery of definitive Certificates is excluded.

The circulation of Certificates centralised with Monte Titoli will be made pursuant to the Italian legislative decree and subsequent implementing provisions.

The Certificates are freely transferable by way of book entries on the accounts registered on the settlement system of Monte Titoli.

In the case of Italian Listed Certificates, the Certificates may be transferred in lots at least equal to the Minimum Tradable Lot (as defined in Condition 5 (g) or multiplies thereof pursuant to the Listing Rules of Borsa Italiana S.p.A. and/or the rules of any other regulated or unregulated markets with similar listing requirements as specified in the applicable Final Terms in relation to each Series.

The Issuer may (if so specified in the applicable Final Terms), on any Fixed Amount Payment Date or Interim Payment Date as specified in the applicable Final Terms, without the consent of the Holders, in

accordance with Condition 12, and on or after the date on which the European Member State in whose national currency the Certificates are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union (the **EU**), as amended from time to time (the **Treaty**)) or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not only some, of the Certificates of any Series into Euro and adjust the Aggregate Number of Securities and the Specified Denomination(s) set out hereon accordingly, as described above. The date on which such redenomination becomes effective shall be referred to in these Conditions as the **Redenomination Date**.

The redenomination of the Certificates pursuant to the above paragraph shall be made by converting the principal amount of each Certificate from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to Article 140 of the Treaty and rounding the resultant figure to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards), provided that, if the Issuer determines, with the agreement of the Agent that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, the stock exchange (if any) on which the Certificates may be listed and the Paying Agents of such deemed amendments.

If the Issuer so elects, the figure resulting from conversion of the principal amount of each Certificate using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Certificates so determined shall be notified to Holders in accordance with Condition 12. Any balance remaining from the redenomination with a denomination higher than 0.01 Euro shall be paid by way of cash adjustment rounded to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to Holders by the Issuer.

Upon redenomination of the Certificates, any reference hereon to the relevant national currency shall be construed as a reference to Euro.

Unless otherwise specified hereon, the Issuer may, with prior approval of the Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the Holders, make any changes or additions to these Conditions which it reasonably believes to be necessary or desirable to give effect to the provisions of this Condition or Condition 16 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of the Holders. Any such changes or additions shall, in the absence of manifest error, be binding on and shall be notified to Holders in accordance with Condition 16 as soon as practicable thereafter.

Neither the Issuer nor any Paying Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

## **CONDITION 2 - STATUS OF THE CERTIFICATES AND THE GUARANTEE**

### *(a) Status of the Certificates*

The obligations under the Certificates constitute direct, unconditional, unsubordinated and, subject to the Guarantee, unsecured limited recourse obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves.

The payment obligations of the Issuer under the Certificates (save for certain obligations preferred by mandatory provisions of statutory law) shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(b) *Guarantee*

The Guarantor has given an unconditional and irrevocable guarantee dated 19 June 2012 (the **Guarantee**) for the due and punctual payment of principal of, and interest on, and any other amounts expressed to be payable under the Certificates and/or the due and punctual physical delivery of securities deliverable under or in respect of the Certificates for the benefit of the Holders.

**CONDITION 3 - INTERIM PAYMENT**

(a) *Fixed Amount(s)*

Unless otherwise specified in the applicable Final Terms, each Certificate shall bear Fixed Amount(s) at a fixed specified percentage per annum per Specified Denomination as it shall be detailed in the applicable Final Terms and/or the Schedule thereto.

The Fixed Amount(s) shall be payable on the Fixed Amount Payment Date(s) specified in the applicable Final Terms.

Certificates may provide for a method of calculating Fixed Amount(s) which does not require any day count fraction as Fixed Amount(s) payable on each specified Fixed Amount Payment Date(s) is determined by applying a fixed specified percentage per Certificate of the Specified Denomination as it shall be detailed in the applicable Final Terms and/or the Schedule thereto.

For the purposes of this Condition 3(a):

**Fixed Amount(s)** means, in respect of each Certificate, the amount(s) specified as such in the applicable Final Terms, payable to the Holders of the Certificates on the relevant Fixed Amount Payment Date(s);

**Fixed Amount Payment Date(s)** means the date(s) specified as such in the applicable Final Terms.

(b) *Interim Amount(s)*

Unless otherwise specified in the applicable Final Terms, each Certificate shall bear Interim Amount(s) calculated by the Calculation Agent specified in, or determined in the manner specified in, the applicable Final Terms and/or the Schedule thereto.

The Interim Amount(s) shall be payable on the Interim Amount Payment Date(s) specified in the applicable Final Terms.

Certificates may provide for a method of calculating Interim Amount(s) which does or does not require any day count fraction as specified in the applicable Final Terms and/or the Schedule thereto.

For the purposes of this Condition 3(b):

**Interim Amount(s)** means, in respect of each Certificate, the amount(s) specified as such in the applicable Final Terms, payable to the Holders of the Certificates on the relevant Interim Amount Payment Date(s);

**Interim Amount Payment Date(s)** means the date(s) specified as such in the applicable Final Terms.

For the purposes of this Condition 3:

Unless otherwise specified in the applicable Final Terms, each Certificate bears Fixed Amount(s) and/or Interim Amount(s), and such Fixed Amount(s) and/or Interim Amount(s) will be payable on the

Fixed Amount Payment Date(s) and/or the Interim Amount Payment Date(s); provided that (x) if there is no numerically corresponding day in the calendar month in which a Fixed Amount Payment Date and/or an Interim Amount Payment Date should occur or (y) if any Fixed Amount Payment Date and/or Interim Amount Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) the **Following Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (B) the **Modified Following Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (C) the **Preceding Business Day Convention**, such Fixed Amount Payment Date and/or Interim Amount Payment Date (or other date) shall be brought forward to the immediately preceding Business Day,

Otherwise, the applicable Final Terms will specify if other Business Day Convention is applicable in respect of the Certificates.

**Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in all relevant additional financial centre(s) and

either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency or (y) in relation to any sum payable in euro, a TARGET2 Business Day.

where

**TARGET2 Business Day** means a day on which the TARGET2 System is operating.

**TARGET2 System** means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) System.

#### **CONDITION 4 - PAYMENTS**

For the purposes of this Condition 4, references to payment or repayment (as the case may be) of principal and/or interim amount and other similar expressions will, where the context so admits, be deemed also to refer to delivery of the Underlying Asset(s) with respect to any Physical Delivery Amount(s).

(a) *Payment of Principal*

Payment of principal in respect of the Certificates shall be made, subject to subparagraph (c) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Manner of Payment*

Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Certificates shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency. Should the Specified Currency have been replaced on the due date under any applicable legal provision, payments shall be made in such legally prescribed currency. If, as a result of such legal changes, there are several currencies to choose from, the Issuer shall choose a currency in its reasonable discretion. This shall also apply if payment in the Specified Currency is not possible for any other reason.

(c) *Discharge*

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(d) *Payment Business Day*

If the date for payment of any amount in respect of any Certificate is not a Payment Business Day, the holder thereof shall instead be entitled to payment: (i) on the next following Payment Business Day in the relevant place, if "Following Payment Business Day" is specified in the applicable Final Terms; or (ii) on the next following Payment Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the relevant place, if "Modified Following Payment Business Day" is specified in the applicable Final Terms; provided that if neither "Following Payment Business Day" nor "Modified Following Payment Business Day" is specified in the applicable Final Terms, "Following Payment Business Day" shall be deemed to apply. In the event that any adjustment is made to the date for payment in accordance with this Condition 5(d), the relevant amount due in respect of any Certificate shall not be affected by any such adjustment, unless otherwise specified in the applicable Final Terms.

For the purposes of this Condition 4(d):

**Payment Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

either (A) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (B) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(e) *Interpretation of Principal or Interim Amount*

Any reference in these Conditions to "principal" in respect of the Certificates shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 6;
- (ii) the **Final Exercise Amount** of the Certificates (as specified in the applicable Final Terms);
- (iii) the **Early Exercise Amount** of the Certificates (as specified in the applicable Final Terms);
- (iv) if the Certificates are exercisable at the option of the Issuer other than for Tax Reasons, the **Optional Exercise Amount(s)** of the Certificates (as specified in the applicable Final Terms);
- (v) if the Certificates are exercisable at the option of the Holder, the **Put Exercise Amount(s)** of the Certificates (as specified in the applicable Final Terms); and

- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Certificates.

Any reference in these Conditions to interim payment in respect of the Certificates shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 6.

References in these Conditions to principal and/or interim amount and Physical Delivery Amount(s) shall mean such amount less any expenses, fees, stamp duty, levies or other amounts payable on or in respect of the relevant Physical Delivery Amount(s).

(f) *Deposit of principal and interim amount*

The Issuer may deposit with the *Amtsgericht* in Frankfurt am Main principal or interim amount not claimed by Holders within twelve (12) months after the due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

(g) *Knock-In/-Out Event(s)*

The exercise amount and/or interim amount and/or physical delivery amount due by the Issuer under these Certificates is subject to the occurrence of a Knock-In-Event or a Knock-Out Event as specified in the applicable Final Terms.

For the purposes of this Condition 4(g):

**Knock-In Event** or **Knock-Out Event** means the event as described in the applicable Final Terms and/or the Schedule thereto.

#### **CONDITION 5 – EXERCISE AND PURCHASE**

(a) *Exercise at maturity*

Certificates other than Open-End Certificates:

Without prejudice to Condition 5 (g), to the extent not previously exercised in whole or in part, each Certificate, other than Open-end Certificate, shall be exercised by the Issuer at its Final Exercise Amount on the Final Exercise Date or on the Interim Amount Payment Date falling in Exercise Month, as specified in the applicable Final Terms.

In the case of Italian Listed Certificates whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A., the Final Exercise Amount shall be paid on the Final Exercise Date, if specified as such in the applicable Final Terms, otherwise on the Final Payment Date.

**Final Exercise Amount** means, in respect of each Certificate, (i) if exercised at its principal amount, its principal amount] or (ii) if exercised at an amount other than the principal amount, other Final Exercise Amount or (iii) an amount calculated by the Calculation Agent specified in, or determined in the manner specified in, the applicable Final Terms, provided always that the Final Exercise Amount shall in no event be less than zero.

Open-End Certificates:

The Open-End Certificates may only be exercised in accordance with the following provisions of this Condition 5.

(b) *Early Redemption for Tax Reasons*

- (i) Early Exercise because of a Gross-up Event

If at any time after the issuance of the Certificates a Gross up Event (as defined below) occurs, the Certificates may be exercised (in whole but not in part) at the option of the Issuer at their Early Exercise Amount (as defined in Condition 5(f)) upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 12, provided that no such notice of exercise may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts.

Any notice given in accordance with the above paragraph shall be irrevocable, must specify the date fixed for exercise and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**Gross up Event** means the occurrence of an event where the Issuer has or will become obliged by a legislative body, a court or any authority to pay Additional Amounts pursuant to Condition 6 or the Guarantor has or will become obliged to pay Additional Amounts in respect of payments due under the Guarantee or the Trust Agreement dated 28 February 2006 between the Issuer and the Guarantor as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or France or any political subdivision or any authority of or in the Federal Republic of Germany or France (each a **Tax Jurisdiction**), or any change in or amendment to any official interpretation or application of those laws or rules or regulations, and that obligation cannot be avoided by the Issuer and/or the Guarantor taking reasonable measures it (acting in good faith) deems appropriate.

(ii) Special Tax Exercise

If the Issuer or, as the case may be, the Guarantor would, on the occasion of the next payment of principal or interim amount in respect of the Certificates, be prevented by the law of a Tax Jurisdiction from causing payment to be made to the Holders of the full amount then due and payable, notwithstanding the undertaking to pay additional amount contained in Condition 6, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Agent and the Issuer or the Guarantor, as the case may be, shall, upon giving not less than seven (7) nor more than forty five (45) days' prior notice to the Holders in accordance with Condition 12, forthwith exercise all, but not only some, of the Certificates at their Early Exercise Amount, on the latest practicable payment date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Certificates, provided that if such notice would expire after such payment date, the date for exercise pursuant to such notice to Holders shall be the later of:

(A) the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Certificates; and

(B) fourteen (14) days after giving notice to the Agent as aforesaid.

The Final Terms applicable to the Certificates indicate:

(Y) that the Certificates cannot be exercised prior to their Exercise Date (except as otherwise provided in Condition 5 (b)(i) and 5 (b)(ii) and in Condition 8); or

(Z) that such Certificates will be exercisable at the option of the Issuer and/or the Holders prior to such Exercise Date in accordance with the provisions of Condition 5(c) and 5(d) on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(c) *Exercise at the option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to exercise, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not less than thirty (30) nor more than forty five (45) days' notice, in accordance with Condition 12, to the Holders (which notice shall be irrevocable and shall specify the date fixed for exercise), exercise all or only some of the

Certificates outstanding on any Optional Exercise Date(s) and at the Optional Exercise Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms. Any such exercise must be of a nominal amount not less than the Minimum Exercise Amount and not more than the Maximum Exercise Amount, if so specified in the applicable Final Terms.

In respect of any Certificate, any notice given by the Issuer pursuant to this Condition 5(c) shall be void and of no effect in relation to that Certificate in the event that, prior to the giving of such notice by the Issuer, the Holder of such Certificate has already delivered a Put Notice in relation to that Certificate in accordance with Condition 5 (d).

The appropriate notice of exercise given by the Issuer to the Holders in accordance with Condition 12 shall specify:

- the Tranche or Series of Certificates subject to exercise;
- whether such Tranche or Series is to be exercised in whole or in part only and, if in part only, the aggregate number of Certificates which are to be exercised;
- the Optional Exercise Date; and
- the Optional Exercise Amount at which such Certificates are to be exercised.

In the case of an exercise of only some of the Certificates, the Certificates to be exercised will be selected in accordance with the rules of the Clearing System.

The Issuer will inform, if required by the stock exchange on which the Certificates are listed, such stock exchange, as soon as possible of such exercise.

*(d) Exercise at the option of the Holders*

If the Holders are specified in the applicable Final Terms as having an option to require the Issuer to exercise any Certificate, upon the Holder of any Certificate giving to the Issuer in accordance with Condition 12 not less than fifteen (15) nor more than forty thirty (30) days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, exercise, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Certificate on the Put Exercise Date and at the Put Exercise Amount specified in, or determined in the manner specified in, the applicable Final Terms. It may be that before an option can be exercised to require the Issuer to exercise any Certificate, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require exercise of a Certificate, the Holder, if the Certificate is represented by a Global Certificate, must, within the notice period, give notice to the Agent of such exercise (a **Put Exercise Notice**) in accordance with the standard procedures of the Clearing System, in a form acceptable to it.

The Put Exercise Notice must specify (i) the principal amount of the Certificates in respect of which such option is exercised, and (ii) the securities identification number of such Certificates, if any. The Issuer shall only be required to exercise Certificates in respect of which such option is exercised against delivery of such Certificates to the Issuer or to its order.

Any Put Exercise Notice given by a Holder of any Certificate pursuant to this Condition 5(d) shall be:

- irrevocable except where, prior to the due date of exercise, an Event of Default has occurred and is continuing in which event such Holder, as its option, may elect by notice to the Issuer to withdraw the Put Exercise Notice given pursuant to this Condition 5(d) and instead declare such Certificate forthwith due and payable pursuant Condition 8; and

- void and of no effect in relation to such Certificate in the event that, prior to the giving of such Put Exercise Notice by the relevant Holder, the Issuer had notified the Holders of its intention to exercise all of the Certificates in a Series then outstanding, in each case pursuant to Condition 5(c).

(e) *Purchase*

The Issuer may at any time purchase Certificates in the open market or otherwise and at any price. Such acquired Certificates may be cancelled, held or resold.

(f) *Early Exercise Amount(s)*

For the purpose of Condition 5(b) and Condition 8, unless otherwise specified in the applicable Final Terms, the Certificates will be exercised at the Early Exercise Amount calculated as follows:

- in the case of Certificates with a Final Exercise Amount equal to the Issue Price, at the Final Exercise Amount thereof; or
- in the case of Certificates with a Final Exercise Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Certificates are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- in the case of Physical Delivery Certificates, as determined in the manner specified in the applicable Final Terms; or
- if Market Value is specified in the applicable Final Terms as the Early Redemption Amount, at an amount determined by the Calculation Agent, which, on the due date for the exercise of the Certificate, shall represent the fair market value of the Certificates and shall have the effect (after taking into account the costs of unwinding any hedging arrangements entered into in respect of the Certificates) of preserving for the Holders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Certificates which would, but for such early exercise, have fallen due after the relevant early exercise date.

Where such calculation is to be made for a period of less than a full year, it shall be made on the basis of the Day Count Fraction, if applicable, specified in the applicable Final Terms.

(g) *Final Exercise Amount*

- (i) **Multiplier** means, in respect of each Certificate, the number of Underlying(s).
- (ii) **Final Exercise Amount** means, in respect of each Certificate, an amount calculated by the Calculation Agent in accordance with the formula or the provisions as indicated in Part A paragraph 20 of the applicable Final Terms.
- (iii) **Final Exercise Date** means the date on which the automatic exercise (the **Automatic Exercise**) of the Certificates occurs.
- (iv) **Final Payment Date** means (a) the date specified as such in the applicable Final Terms or (b), in the case of Italian Listed Certificates whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A. (such as the FTSE MIB Index), at least five Exchange Business Days following the Final Valuation Date, unless otherwise specified in the applicable Final Terms.
- (v) **Final Valuation Date** means (a) the date specified as such in the applicable Final Terms or (b), in the case of Italian Listed Certificates whose underlying is an index managed by Borsa Italiana S.p.A., the Final Exercise Date or (c), in the case of Italian Listed Certificates whose

underlying is a share listed on the Italian Exchange, the Exchange Business Day preceding the Final Exercise Date, if specified as such in the applicable Final Terms (such date being a Valuation Date as defined in the Technical Annex).

- (vi) **Initial Closing Price** means the amount equal to the Closing Price on the date specified in the applicable Final Terms, as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (vii) **Final Closing Price** means the amount equal to the Closing Price on the date specified in the applicable Final Terms or, for Italian Listed Certificates and whose underlying is a share listed on the Italian Exchange or an index managed by Borsa Italiana S.p.A., on the Final Valuation Date, if specified as such in the applicable Final Terms, as determined by the Calculation Agent and without regard to any subsequently published adjustment(s).
- (viii) **Minimum Trading Lot** means the minimum number of Certificates that may be traded in SeDeX and/or other regulated or unregulated markets with similar listing requirements as determined by Borsa Italiana S.p.A. and/or by other regulated or unregulated markets with similar listing requirements, if applicable.
- (ix) **Notice Date** means 10:00 CET of the Exchange Business Day immediately following the Valuation Date, if not specified differently in the applicable Final Terms.
- (x) **Waive of Automatic Exercise at Final Exercise Date** means the Holder may waive the Automatic Exercise at Final Exercise Date, in whole or in part, by delivering a Waiver Notice that must be received by the Paying Agent by the Notice Date.

The Waiver Notice shall specify:

- (1) the Series Number, the ISIN code and the number of Certificates held by the Holder;
- (2) the number of Certificates, equal at least to the Minimum Exercise Amount and multiples thereof, in respect of which Automatic Exercise is being waived by the Holder;
- (3) the number of the account of the Holder with the intermediary adhering to Monte Titoli or any other relevant Clearing System where the Certificates that are the subject of the waiver are held;
- (4) name, address, telephone and fax number of the Holder.

Any Waiver Notice that has not been delivered in compliance with this paragraph and/or not received by the Paying Agent on or prior to the Notice Date shall be deemed invalid.

If the right to waive the Automatic Exercise is not validly exercised, the Automatic Exercise of the Certificates shall apply on the specified Final Exercise Date in accordance with Condition 5 (a) above.

The Waiver Notice shall be sent via fax to the Paying Agent.

The Waiver Notice shall be deemed to have been received by the Paying Agent at the time indicated on the facsimile transmission report.

An incomplete Waiver Notice or a Waiver Notice which has not been timely sent shall be deemed to be void and ineffective. Any assessment relating to the validity, both from a substantial and a formal perspective, of the Waiver Notice will be performed by the Paying Agent and will be final and binding for both the Issuer and the Holder. Any Waiver Notice which, in accordance with the mentioned above, is deemed to be incomplete or not completed will be considered as void and ineffective.

In the event that such Waiver Notice is subsequently amended in such a way that is satisfactory to the Paying Agent, such Waiver Notice, as amended, will be deemed as a new Waiver Notice filed at the time such amendments are received by the Paying Agent.

When the Paying Agent deems the Waiver Notice to be invalid or incomplete, such Paying Agent undertakes to notify such invalidity or incompleteness to the relevant Holder as soon as practicable.

Notification of the Waiver Notice: the Holder, by way of sending the Waiver Notice, irrevocably exercises the right to waive the Automatic Exercise of the relevant Certificate.

Waiver Notices may not be withdrawn after their receipt by the Paying Agent. After a Waiver Notice is sent, the Certificate to which it refers may no longer be transferred.

#### **CONDITION 6 – TAXATION**

All payments in respect of the Certificates or under the Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law.

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

- (i) the Holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of its being connected with the Federal Republic of Germany or France (as the case may be) other than by the mere holding of such Certificate; or
- (ii) presented for payment more than thirty (30) days after the Relevant Date (as defined below), except to the extent that the Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth (30<sup>th</sup>) day assuming that day to have been a Payment Business Day (as defined in Condition 4(d)); or
- (iii) in respect of an issue of Certificates which have been privately placed, if the applicable Final Terms indicate that no such additional amounts shall be payable; or
- (iv) where such withholding or deduction (a) is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive or (b) is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Certificate to another Paying Agent in a Member State of the European Union.

For the purposes of this Condition 6:

**Tax Jurisdiction** means the Federal Republic of Germany or France (as the case may be) or any political subdivision or any authority of the Federal Republic of Germany or France (as the case may be) that has power to tax; and

**Relevant Date** means whichever is the later of the date on which the payment in question first becomes due and, if the full amount payable has not been received by the Agent on or prior to that due date, the date on which notice of receipt of the full amount has been given to the Holders in accordance with Condition 12.

#### **CONDITION 7 – PRESENTATION, PRESCRIPTION**

(a) *Presentation*

The period for presentation of Certificates due, as established in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten (10) years.

(b) *Prescription*

The period for prescription for Certificates presented for payment during the presentation period shall be two (2) years beginning at the end of the relevant presentation period.

#### **CONDITION 8 – EVENTS OF DEFAULT**

(a) *Events of Default*

Each Holder shall be entitled to declare its Certificates due and demand immediate redemption thereof at the Early Exercise Amount (as described in Condition 5 (f) [, together with accrued interest (if any)]) to the date of repayment, if any of the events below occurs and is continuing:

- (i) the Issuer or the Guarantor fails to pay, for any reason whatsoever, any amount due under the Certificates within 30 days from the relevant due date; or
- (ii) the Issuer or the Guarantor is in default in the performance of any other obligation arising from the Certificates or the Guarantee, as the case may be, which default is not capable of remedy or, if such default is capable of being remedied by the Issuer or the Guarantor, such default has not been so remedied within 60 days after the Agent has received written notification thereof from a Holder; or
- (iii) the Issuer or the Guarantor suspends payment or announces its inability to pay its debts (*Zahlungsunfähigkeit*); or
- (iv) insolvency or court composition proceedings are commenced before a court against the Issuer or the Guarantor, as the case may be, which shall not have been discharged or stayed within 60 days after the commencement thereof, or the Issuer or the Guarantor, as the case may be, institutes such proceedings or suspends payments or offers or makes a general arrangement for the benefit of all its creditors; or
- (v) the Issuer or the Guarantor, as the case may be, enters into a winding up or dissolution or liquidation, unless such a winding up or dissolution or liquidation is to take place in connection with a merger, consolidation or other combination with another company and such company assumes all obligations of the Issuer or the Guarantor, as the case may be, under these Conditions.

The right to declare Certificates due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(b) *Notice*

Any notice, including any notice declaring Certificates due, in accordance with subparagraph (a) of this Condition shall be made by means of a written declaration in the English language delivered by hand or registered mail to the specified office of the Agent together with proof that such Holder at the time of such notice is a holder of the relevant Certificates. The Certificates shall be exercised following receipt of the notice declaring Certificates due.

#### **CONDITION 9 – LIMITED RECOURSE**

The Issuer and the Guarantor have entered into a trust agreement (the **Trust Agreement**) pursuant to which the Issuer shall, *inter alia*, (i) issue and exercise debt instruments on a fiduciary basis (*treuhänderisch*) in its own name but for the account of the Guarantor; (ii) collect any proceeds resulting from the issuance of the debt instruments and forward them to the Guarantor; and (iii) use only the funds made available to it by the Guarantor under the Trust Agreement (which funds shall equal the amount of any payments owed by the Issuer under the debt instruments as and when such payment obligations fall due and in a manner that allows the Issuer to fulfil its payment obligations in a timely manner) for payments owed under the debt instruments as and when they fall due and to make such payments on a fiduciary basis in its own name but for the account of the Guarantor. The Issuer's ability to satisfy its payment obligations under the debt instruments in full is therefore dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement.

Any payment obligations of the Issuer under the debt instruments shall therefore be limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Holders in full, then any shortfall arising therefrom shall be extinguished and no Holder shall have any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the debt instruments out of its own funds, provided that the foregoing shall be without prejudice to the right to exercise any termination or early exercise rights.

#### **CONDITION 10 – AGENT, PAYING AGENT(S) AND CALCULATION AGENT**

The names of the initial Agent, the additional Agent(s), and the other Paying Agent(s) and their specified offices are set out below and the name(s) and specified office(s) of the Calculation Agent(s) are specified in the applicable Final Terms. In addition, the Agent may (with the prior written consent of the Issuer and the Guarantor) delegate certain of its functions and duties in relation to Physical Delivery Certificates to a settlement agent (the **Settlement Agent**).

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent or Settlement Agent and/or appoint additional or other Paying Agents or Settlement Agents and/or approve any change in the specified office through which any Paying Agent or Settlement Agent acts, provided that:

- so long as the Certificates are listed on any stock exchange or admitted to trading or listing by another relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city in Europe; and
- there will at all times be a Paying Agent in a Member State of the European Union (a **Member State**) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law; and

- there will at all times be an Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than thirty (30) or more than forty five (45) days' prior notice thereof shall have been given to the Holders in accordance with Condition 12.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Holders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent. If, in connection with any Series of Certificates, the Calculation Agent is Société Générale, its appointment will be governed by the terms of the Calculation Agency Agreement set out in the Appendix to the Agency Agreement. In the event that a Calculation Agent other than Société Générale is appointed in connection with any Series of Certificates, the terms of its appointment will be summarised in the applicable Final Terms.

#### **CONDITION 11 – SUBSTITUTION**

##### *(a) Substitution*

The Issuer and/or the Guarantor may, without the consent of the Holders, if it is not in default with any payment of principal of any of the Certificates, at any time substitute for the Issuer either itself or any Affiliate (as defined below) of the Issuer as principal debtor (the **Substitute Debtor**) in respect of all obligations arising from or in connection with the Certificates with the effect of releasing the Issuer of all such obligations, provided that:

- (i) the Substitute Debtor assumes all obligations of the Issuer in respect of the Certificates and, if service of process *vis-à-vis* the Substitute Debtor would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Substitute Debtor has obtained all necessary authorisations and approvals for the substitution and the fulfilment of the obligations in respect of the Certificates and may transfer to the Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Certificates;
- (iii) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (iv) the Issuer and/or the Guarantor (except in the case that the Guarantor itself is the Substitute Debtor) irrevocably and unconditionally guarantees, and in the case of Italian Listed Certificates, as evidenced by the declaration of the Issuer filed at the time of the application to the Borsa Italiana S.p.A. and/or the other regulated or unregulated markets with similar listing requirements in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Certificates on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place.

For the purposes of this Condition 11:

**Affiliate** shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 German Stock Corporation Act (*Aktiengesetz*).

##### *(b) Notice and Effectiveness of Substitution*

Notice of any such substitution shall be published in accordance with Condition 12 without delay. Upon such Notice, the substitution shall become effective, and the Issuer, and in the event of any repeated application of this Condition 11, any previous Substitute Debtor, shall be discharged from any and all obligations under the Certificates. In the event of such substitution, the stock exchange(s), if any, on which the Certificates are listed will be notified and a Supplement to the Base Prospectus describing the Substitute Issuer will be prepared.

*(c) Change of References*

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

- (i) In Condition 5(b) and Condition 6 an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor;
- (ii) in Condition 8 (iii) to (v) an alternative reference to the Issuer in its capacity as Guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor; and
- (iii) in Condition 8 a further Event of Default shall be deemed to have been included; such Event of Default shall exist in the case that the Guarantee pursuant to subparagraph (a) (iv) above is or becomes invalid for any reason.

**CONDITION 12 – NOTICES**

*(a) Publication*

Notices to Holders relating to the Certificates will be published on the website of the Issuer (<http://prospectus.socgen.com>).

So long as the Certificates are listed, notices to the Holders shall be published in accordance with the rules of the Italian Exchange and/or the other regulated or unregulated markets with similar listing requirements as amended from time to time. Any notice so given will be deemed to have been validly given on the date of first such publication.

*(b) Notification to the Clearing System*

To the extent permissible under applicable laws and other regulations and by the rules and regulations of the Clearing System, the Issuer may, in lieu of the publication set forth in Condition 12(a) above, deliver the relevant notice to the Clearing System, for communication by such Clearing System to the Holders, provided that, so long as any Certificates are listed the Italian stock exchange, the rules of such stock exchange permit such form of notice.

Unless otherwise specified in the applicable Final Terms, any such notice shall be deemed to have been given to the Holders on the fourth day after the day on which the notice was given to the Clearing System if "Clearing System Delivery Period" is specified "Applicable" in the applicable Final Terms or the day on which the notice was given to the relevant Clearing System if "Clearing System Delivery Period" is specified "Not Applicable" in the applicable Final Terms.

**CONDITION 13 – RESOLUTIONS OF THE HOLDERS**

(a) *Matters subject to resolutions*

With regard to matters affecting the interests of the Issuer or the Holders in relation to the Certificates, the Holders may agree in accordance with the German Bond Act (*Schuldverschreibungsgesetz*) by majority resolution to amend the Conditions and on all other issues permitted by law. Resolutions affecting the interests of the Issuer require the consent of the Issuer.

(b) *Resolutions of the Holders*

The resolutions of the Holders are subject to the German Bond Act unless otherwise specified in the Conditions.

(c) *Passing of resolutions*

Holders shall pass resolutions by vote taken without a physical meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 of the German Bond Act.

(d) *Proof of eligibility*

Holders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the custodian bank (the **Custodian Bank**) in text form, which includes the complete name and full address of the Holder, the aggregate number of securities which have been, as of the date of such confirmation booked to the account of such Holder and by submission of a blocking instruction by the Custodian Bank up to and including the voting period.

#### **CONDITION 14 – FURTHER ISSUES AND CONSOLIDATION**

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further Tranche of Certificates with identical terms and conditions as the existing Certificates in all respects except for the first payment of fixed amount, if any, on them so as to be consolidated and form a single Series with the existing Certificates.

For the purposes of this Condition 14:

**Certificates** shall also comprise further Certificates in the event of further issue.

The Issuer may from time to time on any Fixed Amount Payment Date occurring on or after the date specified for a redenomination of the Certificates pursuant to Condition 1, on giving prior notice to the Holders in accordance with Condition 12, without the consent of Holders, consolidate the Certificates with one or more issue(s) of other certificates issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other certificates have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Certificates.

#### **CONDITION 15 – ADJUSTMENTS AND DISRUPTION**

The Technical Annex will (where stated to be applicable in the applicable Final Terms) contain provisions relating to adjustments with respect to Underlying(s) (as defined in the Technical Annex) as well as settlement disruption and market disruption in respect of such Underlying(s) (including, without limitation and where necessary, appropriate definitions of Potential Adjustment Event(s), Settlement Disruption Event(s) and Market Disruption Event(s) and details of the consequences of such events).

#### **CONDITION 16 – GOVERNING LAW AND SUBMISSION TO JURISDICTION; RESCISSION; MISCELLANEOUS PROVISIONS**

(a) *Applicable Law in respect of the Certificates and the Guarantee*

The form and content of the Certificates as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany. The form and content of the

Guarantee as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of France.

(b) *Applicable Law in respect of any non-contractual obligations*

Any non-contractual obligations arising out of or in connection with the Certificates shall be governed exclusively by the laws of the Federal Republic of Germany. Any non-contractual obligations arising out of or in connection with the Guarantee shall be governed exclusively by the laws of France.

(c) *Submission to Jurisdiction*

Non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Conditions (except for the Guarantee) is Frankfurt am Main. Place of performance is Frankfurt am Main. The jurisdiction of such court shall be exclusive if proceedings are brought by merchants (*Kaufleute*), legal persons under public law (*juristische Personen des öffentlichen Rechts*), special funds under public law (*öffentlich-rechtliche Sondervermögen*) and persons not subject to the general jurisdiction of the courts of the Federal Republic of Germany (*Personen ohne allgemeinen Gerichtsstand in der Bundesrepublik Deutschland*). Any dispute arising out of or in connection with the validity, interpretation or performance of the Guarantee shall be submitted to the exclusive jurisdiction of the *Tribunal de Commerce de Paris*, France.

(d) *Annulment*

The courts in the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Certificates.

(e) *Entitlement to declare a Rescission*

The Issuer shall be entitled to declare a rescission (*Anfechtung*) (the **Rescission**) to the Holders in the event of (i) a manifest typing or calculation error in the Conditions of the Certificates and/or (ii) a manifest error in the Conditions of the Certificates similar to (i).

(f) *Declaration of Rescission*

After becoming aware of the reason for the Rescission (*Anfechtungsgrund*) the declaration of Rescission shall be made without undue delay and in accordance with Condition 12. In the event of a Rescission by the Issuer, the Holder is entitled to demand repayment of the actual purchase price paid at the time of the first purchase of the Certificates delivered for repayment, or if this price cannot be determined, the Issue Price of the Certificates (the **Rescission Amount**) by delivery of a duly completed exercise notice (the **Exercise Notice**) in the form available from the specified office of the Agent.

The Issuer shall only be required to exercise Certificates in respect of which such exercise is requested against delivery of such Certificates to the Issuer or to its order.

The Issuer shall make available the Rescission Amount to the Clearing System for the account of the Holders within seven (7) Payment Business Days following receipt of the Exercise Notice and of the delivery of the Certificates to the Issuer, whichever receipt is later, whereupon the Agent shall transfer the Rescission Amount to the account specified in the Exercise Notice.

Upon payment of the Rescission Amount, all rights under the Certificates delivered shall expire.

(g) *Offer to continue the Certificates on the basis of amended Conditions*

The Issuer may combine the declaration of Rescission pursuant to paragraph (e) with an offer to continue the Certificates on the basis of amended Conditions. Such an offer and the amended provisions shall be notified to the Holders together with the declaration of Rescission in accordance with Condition 12. Any such offer shall be deemed to be accepted by a Holder (and the Rescission

shall not take effect), unless such Holder requests repayment of the Rescission Amount within six (6) weeks following the date on which the offer has become effective in accordance with Condition 12 by delivery of a duly completed Exercise Notice to the Agent and by delivery of the Certificates to the Issuer or to its order pursuant to paragraph (f). The Issuer shall refer to this effect in the notification.

*(h) Awareness of errors*

If the Holder was aware of typing or calculation errors or similar errors in the Conditions as mentioned in paragraph (e) above at the time of the purchase of the Certificates, then, notwithstanding paragraphs (e) – (g), the Holder can be bound by the Issuer to the amended Conditions.

*(i) Modifications without the consent of the Holders*

The Issuer may in its reasonable discretion (§ 315 of the German Civil Code), without the consent of the Holders, agree to:

- (A) modifications to reflect any changes in any Underlying(s) (to the extent they have an effect on these Conditions) or to cure any inconsistencies or add any missing provisions provided that such amendment or modification is, having regard to the interests of the Issuer, not materially detrimental to the legal or economic position of the Holders;
- (B) modifications of the Conditions which are of a formal, minor or technical nature or, notwithstanding paragraphs (e) – (g), which are made to correct a manifest error, provided that a correction of such error is acceptable to the Holders under the principle of good faith having regard to the interests of the Issuer and the legal or economic position of the Holders or to comply with mandatory provisions of the laws of the jurisdictions in which the Issuer and/or the Guarantor are organised. Any such modification shall be binding on all Holders and shall be notified to them without undue delay in accordance with Condition 12.

*(j) Severability*

Should any provision of these Conditions be or become void, the other provisions shall remain in force. Such provisions as are void or cannot be given effect shall be replaced in accordance with the meaning and purpose of these Conditions.

*(k) Language*

These Conditions are written in the English language only. The controlling and binding language for these Conditions shall be the English language.

## TECHNICAL ANNEX

The following shall, if stated to be applicable in the applicable Final Terms, comprise together with the section "*Basic Terms*" of the relevant Terms and Conditions as completed by the applicable Final Terms, which together with the terms and conditions will apply to the Notes to be issued under the Programme.

This Technical Annex shall apply to any Notes and/or Italian Certificates if so specified in the applicable Final Terms.

The payment of any amount(s) in respect of the Notes and/or the Italian Certificates subject to the Technical Annex will be determined or calculated by reference to an index and/or a formula based on or referring to one or more "Underlying(s)".

For the purposes of this Technical Annex, **Underlying** shall mean, as specified in the applicable Final Terms, without limitation, a share in a company, any other equity or non-equity security, an index, a currency, a currency exchange rate, an interest rate, a dividend, a credit risk, a fund unit, a share of an investment company, a term deposit, a life insurance contract, a loan, a commodity, a futures contract, a unit linked feature (accounting unit), an event not linked to the Issuer or the Guarantor, a basket thereof or any combination thereof.

This Technical Annex contains technical provisions relating, *inter alia*, to (i) the adjustments to be made by the Calculation Agent (ii) the way a market disruption event that may affect an Underlying will be treated in the context of the Notes and/or the Italian Certificates, or (iii) mathematical formulas used to calculate amounts due under the Notes.

**TECHNICAL ANNEX TABLE OF CONTENTS**

	<b>Page</b>
<b>A) EQUITY TECHNICAL ANNEX</b>	<b>239</b>
PART 1 – DEFINITIONS RELATING TO SHARES, ADR, INDICES, SGI INDICES, DIVIDENDS AND ETF	239
I. COMMON DEFINITIONS AND PROVISIONS FOR SHARES, ADR, INDICES AND DIVIDENDS	239
II. DEFINITIONS SPECIFIC TO SHARES AND ADR	242
III. DEFINITIONS SPECIFIC TO INDICES	243
IV. DEFINITIONS AND PROVISIONS SPECIFIC TO SGI INDICES	244
V. DEFINITIONS SPECIFIC TO SHARES OR UNITS OF ETF	248
VI. DEFINITIONS SPECIFIC TO DIVIDENDS	249
PART 2 – ADJUSTMENTS, EXTRAORDINARY EVENTS, HEDGING DISRUPTION, INSOLVENCY FILING AND CHANGE IN LAW RELATING TO SHARES, ADR, INDICES, SGI INDICES AND DIVIDENDS	250
I. ADJUSTMENTS AND EXTRAORDINARY EVENTS RELATING TO SHARES AND ADR	250
II. ADJUSTMENTS AND EVENTS RELATING TO INDICES	256
III. ADJUSTMENTS AND EVENTS RELATING TO SGI INDICES	259
IV. ADJUSTMENTS AND EVENTS RELATING TO DIVIDENDS	263
V. HEDGING DISRUPTION, INSOLVENCY FILING AND CONSEQUENCES - CHANGE IN LAW AND CONSEQUENCES	264
PART 3 – CALCULATIONS – PHYSICAL DELIVERY	266
I. CALCULATIONS – CALCULATION AGENT	266
II. PHYSICAL DELIVERY NOTES	266
<b>B) FUND TECHNICAL ANNEX</b>	<b>268</b>
PART 1 – DEFINITIONS SPECIFIC TO DUNDS	268
PART 2 – ADJUSTMENTS, EXTRAORDINARY EVENTS, DISRUPTION EVENTS AND MATURITY DISRUPTION EVENT SPECIFIC TO FUNDS	272
I. ADJUSTMENTS	272
II. EXTRAORDINARY EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT	272

III.	DISRUPTION EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT	279
IV.	OCCURRENCE OF AN EXTRAORDINARY EVENT OR A DISRUPTION EVENT IN RELATION TO AN OPTIONAL REDEMPTION	285
V.	MATURITY DISRUPTION EVENT RELATING TO ANY FUND AND/OR ANY FUND UNIT	287
	PART 3 – CALCULATIONS – PHYSICAL DELIVERY	290
I.	CALCULATIONS – CALCULATION AGENT	290
II.	PHYSICAL DELIVERY NOTES	291
<b>C)</b>	<b>COMMODITIES TECHNICAL ANNEX</b>	<b>293</b>
	PART 1 – DEFINITIONS	293
I.	COMMODITY REFERENCE PRICES	293
II.	PRICE SOURCES	296
III.	OTHER DEFINITIONS	297
	PART 2 – PROVISIONS APPLICABLE TO COMMODITIES (OTHER THAN INDICES)	300
I.	COMMODITY BUSINESS DAY ADJUSTMENT	300
II.	CONSEQUENCES OF MARKET DISRUPTION EVENTS	300
III.	CONSEQUENCES OF EXTRAORDINARY EVENTS AFFECTING THE COMMODITIES OR COMMODITY REFERENCE PRICES	301
IV.	CONSEQUENCES OF ADJUSTMENT EVENTS AFFECTING THE COMMODITY REFERENCE PRICE	301
	PART 3 – PROVISIONS APPLICABLE TO INDICES ON COMMODITIES	302
I.	INDEX BUSINESS DAY ADJUSTMENT	302
II.	CONSEQUENCES OF INDEX DISRUPTION EVENTS	302
III.	CONSEQUENCES OF EXTRAORDINARY EVENTS AND ADJUSTMENTS TO INDICES	303
	PART 4 – HEDGING DISRUPTION, CHANGE IN LAW AND CONSEQUENCES THEREOF	303
	PART 5 – CALCULATIONS BY THE CALCULATION AGENT	305
<b>D)</b>	<b>CREDIT TECHNICAL ANNEX</b>	<b>306</b>
	PART 1 – CREDIT EVENT PROVISIONS	306
I.	PHYSICAL SETTLEMENT	306
II.	CASH SETTLEMENT	308

III.	PROVISIONS RELATING TO INTEREST	308
IV.	CREDIT EVENT NOTICE AFTER RESTRUCTURING	311
V.	MULTIPLE SUCCESSORS	312
VI.	NOTIFICATION OF POTENTIAL FAILURE TO PAY	313
VII.	PARTIAL REDEMPTION AND FURTHER ISSUES	313
VIII.	HEDGING DISRUPTION, INCREASED COST OF HEDGING. CHANGE IN LAW AND CONSEQUENCES	313
	PART 2 – DEFINITIONS	317
<b>E)</b>	<b>MANAGED ASSETS PORTFOLIO TECHNICAL ANNEX</b>	357
I.	GENERAL DEFINITIONS	357
II.	DEFINITIONS OF ASSETS	363
III.	DEFINITIONS OF THE FEES AND COSTS	364
IV.	ADJUSTMENTS AND EXTRAORDINARY EVENTS	365
<b>F)</b>	<b>NON EQUITY SECURITY TECHNICAL ANNEX</b>	369
	PART 1 – DEFINITIONS	369
	PART 2 – EVENTS AND ADJUSTMENTS	369
	PART 3 – CALCULATIONS – CALCULATION AGENT - PHYSICAL DELIVERY	369
<b>G)</b>	<b>DEFINITIONS RELATING TO FORMULAS</b>	370
<b>H)</b>	<b>OTHER DEFINITIONS</b>	374

## A) EQUITY TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Equity Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – DEFINITIONS RELATING TO SHARES, ADR, INDICES, SGI INDICES, DIVIDENDS AND ETF

#### I. COMMON DEFINITIONS AND PROVISIONS FOR SHARES, ADR, INDICES, SGI INDICES AND DIVIDENDS

##### I.1 General Definitions

**Averaging Date** means, in respect of a Valuation Date and a Share, an ADR or an Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part I.3 “Consequences of Disrupted Days for a Share, an ADR or an Index”.

**Basket** means a basket composed of the Shares and/or ADR and/or Indices and/or any other asset (each an Underlying) in the relative proportions or numbers of Shares, ADR, Indices or other asset specified in the applicable Final Terms.

**Business Day** means a “Business Day” as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means:

- A. in respect of a Share:
  - (a) if such Share is traded on the Tokyo Stock Exchange or the Osaka Securities Exchange, the last traded price of such Share for the day quoted by the Exchange, provided however, that if there is a closing special quote on such Share quoted by the Exchange (*tokubetsu kehaine*), such quote shall be deemed to be the relevant Closing Price;
  - (b) if such Share is traded on the Italian Stock Exchange (Borsa Italiana S.p.A.), the *Prezzo di Riferimento*, which means the price as published by the Borsa Italiana S.p.A. at the close of trading and having the meaning ascribed thereto in the Rules of the markets organised and managed by Borsa Italiana S.p.A., as such Rules may be amended by Borsa Italiana S.p.A. from time to time;
  - (c) in any other case, the official closing price of such Share on the relevant Exchange;
- B. in respect of an Index, the official closing level of the Index published and announced by the Index Sponsor;
- C. in respect of an ADR, the official closing price of such ADR on the relevant Exchange;

in any case as adjusted (if applicable) pursuant to the provisions of Part 2 below.

**Company** means, in respect of a Share, the issuer of such Share and, in respect of an ADR, the issuer of the Deposited Securities related to such ADR.

**Exchange(s)** means, in respect of a Share, an ADR or an Index, the corresponding exchange or quotation system specified in the applicable Final Terms, or any successor exchange or quotation system or any substitute exchange or quotation system to which trading in the Share, ADR or Shares underlying such Index, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share, ADR or Shares underlying an Index, on such temporary substitute exchange or quotation system as on the original Exchange). In respect of Deposited Securities, **Exchange** means the primary exchange or market of trading of such Deposited Securities.

**Fx Rate** means, in respect of a date, the currency exchange rate of one currency against another currency, as specified in the applicable Final Terms, quoted by the relevant exchange rate provider on such date, as ascertained by the Calculation Agent on the Reuters page (or any other relevant page of an information provider) specified in the applicable Final Terms. If such Fx Rate cannot be or ceases to be determined, then the Calculation Agent shall select another Reuters page (or any other relevant page of an information provider) or determine in good faith such exchange rate by reference to such sources as it may select in its absolute discretion.

**Related Exchange(s)** means, in respect of a Share, an ADR or an Index (and, in the case the Underlying is an ADR, the Deposited Securities), each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to such Share, ADR, Index or Deposited Securities, any successor exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to a Share, ADR, Index or Deposited Securities, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating such Share, ADR, Index or Deposited Securities, on such temporary substitute exchange or quotation system as on the original Related Exchange).

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

## **I.2 Definitions and provisions relating to valuation and Market Disruption Event**

**Valuation Date** means, in respect of a Share, an ADR or an Index, each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day for such Share, ADR or Index, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part I.3 "*Consequences of Disrupted Days for a Share, an ADR or an Index*".

**Valuation Time** means, in respect of a Share, an ADR or an Index, the Scheduled Closing Time provided however that if the Exchange closes prior to its Scheduled Closing Time, the Valuation Time shall be the actual closing time of the Exchange.

**Market Disruption Event** means, in respect of a Share or an Index, 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. For the purpose hereof:

- A. **Trading Disruption** means, in respect of a Share or an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or, in the case of an Index, on the relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;

- B. **Exchange Disruption** means, in respect of a Share or an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Share on the Exchange, or, in the case of an Index, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;
- C. **Early Closure** means, the closure on any Exchange Business Day of (a) (i) in the case of a Share, the relevant Exchange, or (ii) in the case of an Index any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (b) any 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 (x) 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 (y) 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.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement (a) references to Share in the definitions of **Market Disruption Event**, **Trading Disruption**, **Exchange Disruption** and **Early Closure** above refer both to the ADR and to the Deposited Securities relating to such ADR, and (b) references to Exchange and Related Exchange in these definitions refer to such exchanges as they relate to both the ADR and to the Deposited Securities relating to such ADR. For the avoidance of doubt, a Disrupted Day will be deemed to have occurred with respect to an ADR if a Disrupted Day has occurred with respect to the related Deposited Securities.

### 1.3 Consequences of Disrupted Days for a Share, an ADR or an Index

If any Valuation Date or Averaging Date specified in the applicable Final Terms (the **Scheduled Valuation Date** and the **Scheduled Averaging Date** respectively), is a Disrupted Day for a Share, an ADR or an Index, the Valuation Date or the Averaging Date for such Share, ADR or Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, ADR or Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or the Scheduled Averaging Date is also a Disrupted Day. In that case:

- A. that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, for the Share, ADR or Index notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine (a) in respect of a Share or an ADR, its good faith estimate of the value of the Share or ADR as of the Valuation Time on that eighth Scheduled Trading Day or (b) in respect of an Index, the level of the Index as of the Valuation Time on that eighth 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 that eighth 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 that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day) and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;

Provided that if the Share, ADR or Index is included in a Basket, the hereabove provisions shall apply only to the Share, ADR or Index affected by the occurrence of a Disrupted Day and the Valuation Date or the Averaging Date for each Share, ADR or Index not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

Provided however that,

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;
- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price.

## II. DEFINITIONS SPECIFIC TO SHARES AND ADR

**ADR** means an American Depositary Receipt (or the American Depositary Receipts in the case of a Basket) representing shares issued by a Company and which constitute Deposited Securities, specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-1 "*Adjustments and Extraordinary Events Relating to Shares and ADR*".

**ADR Intraday Price** means, in respect of an ADR, the price of such ADR on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

**Deposit Agreement** means the deposit agreement between the Company that has issued the shares that are Deposited Securities and the Depositary pursuant to which an ADR was issued.

**Depositary** means the depositary appointed in the Deposit Agreement or any successor to it from time to time in such capacity.

**Deposited Securities** means the shares issued by a Company held by the Depositary under the Deposit Agreement pursuant to which an ADR evidencing such Deposited Securities was issued.

**Disrupted Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR comprising the Basket and observed separately), any Scheduled Trading Day on which (a) a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or (b) a Market Disruption Event has occurred.

**Exchange Business Day** means, in respect of a Share or an ADR, (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR comprising the Basket and observed separately) any Scheduled Trading Day on which each relevant Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**Scheduled Trading Day** means, in respect of a Share or an ADR (or, in the case of a Basket of Shares or ADR, in respect of any Share or ADR comprising the Basket and observed separately), any day on which each Exchange and each Related Exchange, if any, are scheduled to be open for trading for their respective regular trading session.

**Share(s)** means a share of the Company (or the shares of the relevant Company in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-I "*Adjustments and Extraordinary Events relating to Shares and ADR*".

**Share Intraday Price** means the price of a Share on the relevant Exchange at any time during a trading session on an Exchange Business Day, including the Closing Price.

### III. DEFINITIONS SPECIFIC TO INDICES

**Disrupted Day** means, in respect of an Index, any Scheduled Trading Day on which (a) a relevant Related Exchange fails to open for trading during its regular trading session, (b) a Market Disruption Event has occurred or (c) the Index Sponsor fails to publish the Closing Price of the Index.

**Exchange Business Day** means, in respect of an Index (or, in the case of a Basket of Indices, each Index comprising the Basket and observed separately), any Scheduled Trading Day on which the relevant Related Exchange of the Index is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time and the Index Sponsor publishes the Closing Price of such Index.

**Index** means the index (or the indices in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustment pursuant to the provisions of Part 2-II "*Adjustments and Events relating to Indices*".

**Index Calculation Agent** means the entity in charge of calculating and publishing the Index, if different from the Index Sponsor.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant Index on a regular basis.

**Index Intraday Price** means, in respect of an Index, the level of such Index on the relevant Exchange at any time during a trading session on an Exchange Business Day including the Closing Price.

**Opening Price** means the value of the FTSE MIB index calculated on the Opening Auction Prices (as defined under Borsa Italiana's Rules) recorded on the Valuation Date provided that this is a trading day on the Borsa Italiana S.p.A. of the financial instruments making up the Index as defined in the article 1.3 of the Borsa Italiana's Rules and calculated following the provisions of the article 4.1.5 of the Borsa Italiana's Rules. If, during the Valuation Date, the Opening Price of the Index cannot be determined for any reason whatsoever, the Calculation Agent shall determine the level of the Index in good faith on that Valuation Date in accordance with the formula for, and method of, calculating that Index last in effect prior to the occurrence of the event that prevents the determination of the Opening Price of the Index and taking into account any other objective element that may be available.

**Scheduled Trading Day** means, in respect of an Index, any day on which (a) the Index Sponsor is scheduled to publish the Closing Price of the Index and (b) the Related Exchange is scheduled to be open for trading during its regular trading session.

#### IV. DEFINITIONS AND PROVISIONS SPECIFIC TO SGI INDICES

##### IV. 1. General Definitions

**Averaging Date** means, in respect of a Valuation Date and a SGI Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part 1-IV.2 "*Consequences of Disrupted Days for a SGI Index*".

**Basket** means a basket composed of the SGI Indices (each an Underlying) in the relative proportions or numbers of SGI Indices specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means the official closing level of the SGI Index published by the Index Calculation Agent on the relevant Valuation Date.

**Commodity Disruption Event** means a Market Disruption Event as defined in the Commodities Technical Annex herein.

**Commodity Instrument** means an article of trade or commerce such as aluminium, crude oil, cocoa, corn, cotton, copper, milk, emissions allowances, cattle, gas oil, gold, silver, heating oil, coffee, wheat, lean hogs, natural gas, nickel, orange juice, lead, palladium, platinum, sugar, soybean, and more generally any commodity, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Debt Instrument** means a bond (including a structured bond), a note (including an Euro Medium Term Note), a money market instrument such as a certificate of deposit, a promissory note, a bill, a deposit, and more generally any other debt instrument representing a debt of an issuer, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Debt Disruption Event** or **Other Instrument Disruption Event** means the occurrence of any of the following events (a) the non-publication of the closing levels or market value of the relevant Debt Instrument or Other Instrument, (b) the suspension or limitation imposed on trading on the over-the-counter, organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, (c) any event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the Debt Instrument or Other Instrument on the over-the-counter, organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, (d) the unforeseen early closure of the organised or regulated market(s) on which the relevant Debt Instrument or Other Instrument is traded, or (e) the redemption, cancellation or permanent discontinuance of the relevant Debt Instrument or Other Instrument.

**Disrupted Day** means any Scheduled Trading Day on which a Market Disruption Event occurs.

**Equity Disruption Event** means, in respect of an Equity Instrument, 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. For the purpose hereof:

- A. **Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to Shares on the relevant Exchange(s), or (b) futures or options contracts on any relevant Related Exchange relating to (i) Shares (which Shares in the case of (a) and (b)(i) comprise 20 per cent. or more of the level of the SGI Index, either directly or indirectly through

an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index;

- B. **Exchange Disruption** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) Shares on the relevant Exchange(s) or (b) futures or options contracts on any relevant Related Exchange, relating to (i) Shares (which Shares in the case of (a) and (b)(i) comprise 20 per cent. or more of the level of the SGI Index, either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index;
- C. **Early Closure** means the closure on any Exchange Business Day of:
- (a) any relevant Exchange(s) relating to Shares that comprise 20 per cent. or more of the level of the SGI Index (either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or;
  - (b) any Related Exchange for futures or options contracts relating to (i) Shares that comprise 20 per cent. or more of the level of the SGI Index (either directly or indirectly through an Underlying Index or an index that is an Index Component of an Underlying Index) or (ii) one or more Underlying Index(ices) or one or more index(ices) that is/are Index Component(s) of an Underlying Index,

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 (x) 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 (y) 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.

**Equity Instrument** means a Share or an index on Share(s) or an exchange traded fund (ETF).

**Exchange** means the principal exchange or quotation system on which, in the good faith determination of the Calculation Agent, the relevant Index Components are traded and which offers the highest liquidity for such components, or any successor or substitute exchange or quotation system.

**Exchange Business Day** means, in respect of a SGI Index (or, in the case of a Basket of SGI Indices, each SGI Index observed separately), any Scheduled Trading Day on which the Index Calculation Agent publishes the Closing Price.

**Fund Disruption Event** means a Disruption Event as defined in Part 2-III "*Disruption Events relating to any Fund and/or any Fund Unit*" of the Fund Technical Annex.

**Fund Instrument** means a share or a unit in a fund, an investment company or other pooled investment vehicle, any index on the aforementioned or any other similar instrument specified in the Index Rules.

**Index Calculation Agent** means the entity in charge of calculating and publishing the SGI Index, if different from the Index Sponsor.

**Index Component** means an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument and/or a Market Data, as specified in the Index Rules. For the purposes of the Notes, the relevant Index Component(s) is/are an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument, a Market Data, or any

combination thereof as specified in the Index Rules, which Index Component(s) may be modified from time to time pursuant to such Index Rules.

**Index Component Event** means the occurrence of any of the following events:

- A. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Equity Instrument(s): the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
- B. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Fund Instrument(s): the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
- C. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Commodity Instrument(s): the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
- D. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Debt Instrument(s): the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
- E. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Other Instrument(s): the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
- F. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data; and
- G. for a SGI Index in respect of which the Index Components comprise, without limitation, one or more index(ices) (each an **Underlying Index**) and:
  - (a) if the Underlying Index comprises, without limitation, one or more Equity Instrument(s) the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
  - (b) if the Underlying Index comprises, without limitation, one or more Fund Instrument(s): the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
  - (c) if the Underlying Index comprises, without limitation, one or more Commodity(ies) Instruments: the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
  - (d) if the Underlying Index comprises, without limitation, one or more Debt Instrument(s): the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
  - (e) if the Underlying Index comprises, without limitation, one or more Other Instrument(s): the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
  - (f) if the Underlying Index comprises, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data;

even if the Closing Price of the SGI Index is published by the Index Calculation Agent on the day on which such event(s) occur(s).

**Index Rules** means the relevant Global Index Methodology as supplemented by the relevant SGI Index rules, both as may be amended, supplemented or superseded from time to time. A summary of the Index Rules applicable to the SGI Index is available either online on the website [www.sgindex.com](http://www.sgindex.com), or if not online, upon written request made to the Index Sponsor.

**Index Sponsor** means the corporation or other entity (as specified in the applicable Final Terms) that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant SGI Index and/or (b) announces (directly or through an Index Calculation Agent) the level of the relevant SGI Index on a regular basis.

**Market Data** means a rate (including an interest rate, a foreign exchange rate or a swap rate), a spread, or any other data specified in the Index Rules.

**Market Data Disruption Event** means the non-publication of the level of the relevant Market Data.

**Market Disruption Event** means the occurrence of any of the following events which has a material effect on the Notes as determined by the Calculation Agent: (a) the non-publication of the Closing Price other than as a result of an Index Disruption (as defined below in Part 2-III "*Adjustments and Events relating to SGI Indices*") or (b) an Index Component Event.

**Other Instrument** means a warrant, an over-the-counter swap, a future or option, a future or option or other contract traded on a regulated or organised market, an index on the aforementioned regardless of the underlying of such Other Instrument, or any other similar instrument specified in the Index Rules.

**Related Exchange** means each exchange or quotation system where, in the good faith determination of the Calculation Agent, trading has a material effect on the overall market for futures and options relating to the relevant Index Components, or any successor or substitute exchange or quotation system.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange, the scheduled weekday closing time of such Exchange or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Trading Day** means, in respect of a SGI Index, any day on which the Index Calculation Agent is scheduled to publish the Closing Price pursuant to the Index Rules.

**SGI Index** means the Société Générale index (or the SGI Indices in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustments pursuant to the provisions of Part 2-III "*Adjustments and Events relating to SGI Indices*".

**Share** means a share of a company.

**Similar Index** means an index whose "main characteristics" are similar to those of the SGI Index, in the determination of the Calculation Agent. The "main characteristics" of an index comprise, without limitation, its strategy, its currency, the asset class and the geographical or economical sectors reflected in such index.

**Valuation Date** means each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of Part 2-III "*Consequences of Disrupted Days for a SGI Index*".

**Valuation Time** means the time on the relevant Valuation Date at which the Closing Price is published by the Index Calculation Agent pursuant to the Index Rules.

#### **IV.2. Consequences of Disrupted Days for a SGI Index**

If any Valuation Date or Averaging Date specified in the applicable Final Terms (the **Scheduled Valuation Date or the Scheduled Averaging Date**) is a Disrupted Day for a SGI Index, then the Valuation Date or Averaging Date for such SGI Index shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that SGI Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date or Averaging Date is a Disrupted Day. In that case:

- A. the eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date, notwithstanding the fact that such day is a Disrupted Day, and
- B. the Calculation Agent shall determine the level of the SGI Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that SGI Index last in effect prior to the occurrence of the first Disrupted Day, notwithstanding the fact that the Index Calculation Agent has published a Closing Price on such date.

Provided that if the SGI Index is included in a Basket, the hereabove provisions shall apply only to the SGI Index affected by the occurrence of a Disrupted Day and the Valuation Date or Averaging Date for each other underlying comprised in the Basket and not affected by a Disrupted Day shall be the Scheduled Valuation Date or the Scheduled Averaging Date.

*Provided however that,*

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price;
- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price.

#### **V. DEFINITIONS SPECIFIC TO SHARES OR UNITS OF ETF**

Part 1 - I "*Common definitions and provisions for Shares, ADR, Indices and Dividends*" and II "*Definitions specific to Shares and ADR*" above of this Equity Technical Annex, De-listing Event and any related provisions of Part 2 below of this Equity Technical Annex shall apply to a share or unit of an ETF which for all purposes of these provisions shall be deemed to be a Share and to an ETF which shall be deemed to be a Company.

Part 2 - I. "Adjustments" and Part 2 - II. "Extraordinary Events relating to any Fund and/or any Fund Unit" of the Fund Technical Annex shall apply to an ETF which for all purposes of these provisions shall be deemed to be a Fund.

## VI. DEFINITIONS SPECIFIC TO DIVIDENDS

This section applies to Dividends when they are specified as Underlying(s) in the applicable Final Terms.

**Dividend** means in respect of a Share:

- A. an amount of dividend per Share as declared by the Company, before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an **Applicable Authority**), but which shall not take into account:
  - (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the **Credits**); and
  - (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in (a) above, and/or
- B. an amount per Share being the cash value of any dividend paid in shares (whether or not such dividend comprises shares that are not the ordinary shares of the issuer) declared by the Company (or, if no cash value is declared by the issuer, the cash value of such dividend as determined by the Calculation Agent, calculated by reference to the opening price of such ordinary shares on the Ex-Dividend Date applicable to that dividend) provided that if holders of record of the relevant Share may elect between receiving an amount as defined in (A) above or in this subparagraph (B), the dividend shall be deemed to be an amount as defined in (A) above.

Provided that, this definition shall exclude (a) any dividends in relation to which the Index Sponsor makes an adjustment to the Index when the Share is considered as a component of an Index, or (b) any dividends in relation to which the Related Exchange makes an adjustment to the Designated Contract when the Share is considered individually or as part of a basket (however where the Index Sponsor has adjusted the Index for part of a dividend or as the case may be the Related Exchange, the provisions above shall apply only to the unadjusted part).

**Designated Contract** means an options or futures contract on the Share traded on the Related Exchange with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that matches the relevant Valuation Date specified in the applicable Final Terms.

**Dividend Period** means the period specified as such in the applicable Final Terms.

**Ex-Dividend Date** means in respect of a Dividend the date on which the relevant Share is scheduled to commence trading ex-dividend on the primary exchange or quotation system for such Share, as determined by the Calculation Agent.

**Official Index Divisor** means the value, calculated by the Index Sponsor, necessary to ensure that the numerical value of the Index remains unchanged after a change in the composition of the Index. The value of the Index after any change in its composition is divided by the Official Index Divisor to ensure that the value of the Index returns to its normalised value.

**Official Number** means, in respect of a date, an Index and a Share comprising such Index, the number of free-floating shares relating to such Share comprised in the Index, as calculated and published by the Index Sponsor on such date, subject to "Failure to Publish" under Part 2 - IV.2 below.

**PART 2 – ADJUSTMENTS, EXTRAORDINARY EVENTS, HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CHANGE IN LAW RELATING TO SHARES, ADR, INDICES, SGI INDICES AND DIVIDENDS**

**I. ADJUSTMENTS AND EXTRAORDINARY EVENTS RELATING TO SHARES AND ADR**

**I.1 Potential Adjustment Events**

**Potential Adjustment Event** means, in relation to a Share, any of the following:

- A. a subdivision, consolidation or reclassification of such Share (unless resulting in a Merger Event), including, for the avoidance of doubt, a stock split or reverse stock split, 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 such Share of (a) such Shares, (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, (c) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) 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 the Company in respect of Shares that are not fully paid;
- E. a repurchase by the Company or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- F. 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 the Company 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 having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.

Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Share used to determine any settlement or payment terms under the Notes and/or adjust any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and (b) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. 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 a Related Exchange to options on the Share traded on such Related Exchange.

In the event that the Underlying is in the form of an ADR, references to **Share** in the definition of **Potential Adjustment Event** above refer to the Deposited Securities underlying such ADR. In addition, an event that has a diluting or concentrative effect on the Deposited Securities will affect the theoretical value of the ADR unless (and to the extent that) the Company or the Depositary, pursuant to its authority (if any) under the Deposit Agreement, elects to adjust the number of the Deposited Securities that are represented by each ADR such that the price of the ADR will not be affected by any such event (as determined by the Calculation Agent), in which case the Calculation Agent will make no adjustment. If the Company or the Depositary elects not to adjust the number of Deposited Securities that are represented by an ADR or makes an adjustment that the Calculation Agent determines not to have been adequate, then the Calculation Agent may, in its discretion, make the necessary adjustment to the elements relating to the Underlying used to determine any settlement or payment terms under the Notes and/or any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and determine the effective date of that adjustments. The Depositary may also have the ability pursuant to the Deposit Agreement to make adjustments in respect of the ADR for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the Depositary, the Calculation Agent may, in its discretion, make the necessary adjustments as the Calculation Agent deems appropriate to account for such event.

Definitions applicable to this section:

**Local Taxes** shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located.

**Offshore Investor** shall mean a holder of Shares who is an institutional investor not resident in the country in which the Company has been incorporated or in which the Exchange on which the Share is listed is located (the **Local Jurisdiction**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of Société Générale or one of its affiliates.

## **1.2 Extraordinary Events**

- A. Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of the opening of an Offering Period relating to a Merger Event, a De-merger Event, a De-listing Event, an Insolvency, a Nationalisation or a Participation Event, in respect of a Share or an ADR (an **Affected Share** or an **Affected ADR**), then during such Offering Period, the Calculation Agent may decide in good faith to apply Method of Substitution with respect to the Affected Share or Affected ADR.
- B. If the Calculation Agent decides not to apply Method of Substitution during the Offering Period with respect to the Affected Share or Affected ADR, then:
- (a) in respect of a Merger Event, from the Merger Date, and/or upon consummation of the Merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, shall apply either:
    - (i) Share-for-Share Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;
    - (ii) Share-for-Other Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption; or
    - (iii) Share-for-Combined Merger Event: Alternative Obligation and/or Method of Substitution or Early Redemption;

- (b) in the case of a Merger Event affecting two Shares or ADR comprised in a Basket, the Calculation Agent will either:
  - (i) continue with the share or ADR resulting from the Merger Event and in order to maintain the original number of companies in the Basket, a Substitute Share or Substitute ADR (as applicable) will be elected and included in the Basket;
  - (ii) substitute both Shares (or ADR) with two Substitute Shares (or ADR) selected as described in the Method of Substitution; or
  - (iii) apply the Early Redemption;
- (c) in respect of a De-merger Event, from the De-merger Date, and/or upon consummation of the De-merger Event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, will either:
  - (i) replace the Affected Share or Affected ADR with the shares or ADR of the successor companies;
  - (ii) substitute one or more share(s) resulting from such De-merger Event pursuant to the Method of Substitution; or
  - (iii) apply the Early Redemption;

it being understood that, in the case of a Basket, the Calculation Agent shall maintain the initial number of companies in the Basket and that in the case where the Calculation Agent has elected to substitute the Affected Share or Affected ADR with several shares or ADR resulting from such De-merger Event, such shares or ADR shall be placed in a sub-basket and considered as one component of the Basket;
- (d) in respect of a De-listing Event or a Nationalisation, from the effective date of such event, until the sixtieth Business Day thereafter, the Calculation Agent, acting in good faith, may, but is not obliged to, apply the Method of Substitution or the Early Redemption;
- (e) in respect of an Insolvency, the Calculation Agent will decide, either that:
  - (i) the Affected Share or the Affected ADR will be substituted pursuant to the Method of Substitution; or
  - (ii) the value of the relevant component in the formula used to determine the amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms, representing the Affected Share or the Affected ADR will be accounted by the Calculation Agent for its fair market value determined at any time as from the date of occurrence of such Insolvency until the last Valuation Date or the last Averaging Date. The determination of the fair market value shall depend upon the liquidity of the market and the trading conditions relating to the Share or ADR affected at the time of calculation; or
  - (iii) the Early Redemption; and
- (f) in respect of a Participation Event from the effective date of such event until the sixtieth Business Day thereafter, the Calculation Agent may, but is not obliged to, select a Substitute Share or Substitute ADR for the Affected Share or the Affected ADR pursuant to the Method of Substitution.

- C. Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

Definitions applicable to this section:

**Alternative Obligation** means:

- A. if, in respect of a Share-for-Share Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date the New Shares and the issuer of such New Shares (or, in the case of New Shares which are issued in the form of ADR, the issuer of the Deposited Securities related to such ADR) will be deemed the **Shares** (or **ADR**, as the case may be) and the Company, respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADR immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event;
- B. if, in respect of a Share-for-Other Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the relevant Merger Date, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADR would be entitled upon consummation of the Merger Event and, if necessary, any relevant terms of the Notes; and
- C. if, in respect of a Share-for-Combined Merger Event, the Calculation Agent decides to apply Alternative Obligation, then on or after the Merger Date the New Shares and the Other Consideration will be deemed the **Shares** (or **ADR**, as the case may be) and the issuer of the New Shares (or, in the case of New Shares which are issued in the form of ADR, the issuer of the Deposited Securities related to such ADR) will be deemed the Company respectively, and, if necessary, the Calculation Agent will adjust any relevant terms of the Notes on the basis of the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the relevant number of Shares or ADR would be entitled upon consummation of the Merger Event.

**Combined Consideration** means New Shares in combination with Other Consideration.

**De-listing Event** means, in respect of a Share or an ADR, that such Share or ADR (or Deposited Securities related to such ADR): (a) ceases to be listed, traded or publicly quoted on the relevant Exchange or listing compartment of the relevant Exchange (for any reason other than a Merger Event or a tender offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any Member State of the European Union) or (b) has its listing, trading or public quotation maintained in inappropriate conditions in the opinion of the Calculation Agent (such conditions to include, without limitation, a lack of liquidity or the disappearance of the relevant futures and/or option contract of the relevant Share) or (c) in respect of an Underlying in the form of an ADR, the Deposit Agreement is terminated.

**De-merger Event** means, in respect of any Share or ADR, that the Company relevant to such Share or ADR is affected by a de-merger including, without limitation, a spin off, *scission* or any operation of a similar nature.

**De-merger Date** means the date on which a De-merger Event becomes effective.

**Early Redemption** means that there will be an Early Redemption of the Notes on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

**Fixing Period** means the period subject to a maximum of ten Exchange Business Days, which shall expire no later than 90 Business Days following the Merger Date, the De-merger Date or the effective date of the De-listing Event, Nationalisation, Insolvency or Participation Event) during which:

- A. Société Générale or one of its affiliates sells the Affected Shares, Affected ADR, the New Shares and/or the Other Consideration, (as the case may be), on the basis of the weighted average of the closing prices of the relevant assets traded by Société Générale or one of its affiliates with regards to the relevant Notes, as observed during such Fixing Period; and
- B. the proceeds of such sale are re-invested in the Substitute Shares, Substitute ADR and/or New Shares accordingly during the said Fixing Period on the basis of the weighted average of the closing prices of such Substitute Shares, Substitute ADR and/or New Shares traded by Société Générale or one of its affiliates with regards to the relevant Notes, as observed during such Fixing Period.

**Insolvency** means, in respect of a Company, voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, such Company, as determined in good faith by the Calculation Agent.

**Merger Date** means, in respect of a Share or an ADR, the date upon which holders of the necessary number of the relevant Shares or ADR (other than, in the case of a takeover offer, Shares or ADR owned or controlled by the offeror) to constitute a Merger Event have agreed or have irrevocably become obliged to transfer their Shares.

**Merger Event** means, in respect of any Share:

- A. any reclassification or change of such Share (including the change of currency reference of the Share) that results in a transfer of or an irrevocable commitment to transfer all of such Share outstanding to another entity or person;
- B. any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- C. other take-over 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 that results in a transfer of or an irrevocable commitment to transfer all or part of such Shares (other than any of such Shares owned or controlled by the offeror);
- D. any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of 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; or
- E. take-over 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 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, 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.

In the event that the Underlying is in the form of an ADR issued pursuant to a Deposit Agreement references to **Share** in this definition refer to the Deposited Securities underlying such ADR.

**Method of Substitution** means that in the case of a Merger Event, De-merger Event, De-listing Event, Nationalisation, Insolvency or Participation Event (regardless of the consideration to be received), in respect of an Affected Share or an Affected ADR, the Calculation Agent may consider that the Affected Share, the Affected ADR, the New Shares and/or, all or part of the Other Consideration (as the case may be) is/are converted into cash and that the proceeds will be reinvested either (a) into a new share or ADR of the same economic sector or into a share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (the **Substitute Share** or the **Substitute ADR**, as the case may be) or (b) in the case of Combined Consideration into New Shares. In the event of Other Consideration to be received in cash, in the future, the Calculation Agent may consider that the cash to be received in the future is discounted in order to immediately re-invest the proceeds then procured in accordance with (a) and (b) above.

The sale of the Affected Share, the Affected ADR, the New Shares and/or the Other Consideration shall be deemed to take place during the Fixing Period. The Substitute Share (or the Substitute ADR, as the case may be) and the company issuing such Substituted Share (or, in the case of an ADR, the company issuing the Deposited Securities related to such ADR) will be deemed a **Share** and the **Company** respectively, and the Calculation Agent will adjust any relevant terms of the Notes.

*For information purposes*, it is understood that in all cases described herein where a Share or ADR is substituted, on any date "t", with a Substitute Share or Substitute ADR, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Share or Substitute ADR and would mean the closing price of such Substitute Share or Substitute ADR on the relevant Exchange on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share or the Affected ADR on such date "t".

**Nationalisation** means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**New Shares** means shares or ADR (whether of the offeror or a third party) that are listed or quoted on a recognised exchange involved in the application of Method of Substitution or Alternative Obligation as determined by the Calculation Agent.

**Offering Period** means the period from and including the date on which the Merger Event, the De-listing Event, the De-merger Event, the Insolvency, the Nationalisation or the Participation Event is publicly and officially announced to but excluding the Merger Date or the De-merger Date or the effective date of the De-listing Event, the Insolvency, the Nationalisation or the Participation Event.

**Other Consideration** means cash and/or any securities (other than New Shares) or assets (whether of the offeror or a third party).

**Participation Event** means that a Company (whose Shares or ADR form part of a Basket) takes a stake exceeding 20 per cent. of another Company whose Shares or ADR (which shall be the Affected Share or Affected ADR in respect of such Participation Event) also form part of the Basket.

**Share-for-Combined Merger Event** means, in respect of a Merger Event, that the consideration for the relevant Shares or ADR consists of Combined Consideration.

**Share-for-Other Merger Event** means, in respect of a Merger Event, that the consideration for the relevant Shares or ADR consists solely of Other Consideration.

**Share-for-Share Merger Event** means, in respect of a Merger Event, that the consideration for the relevant Shares or ADR consists (or, at the option of the holder of such Shares or ADR, may consist) solely of New Shares.

### I.3 Stop-Loss Event relating to a Share or an ADR

If on any Exchange Business Day between the initial Valuation Date (excluded) and the last Valuation Date (included), the Closing Price of a Share or ADR is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Share** or **Affected ADR** and the event, the **Stop-Loss Event**), then

- A. the Calculation Agent may decide to substitute the Affected Share or Affected ADR by a new share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (the **Substitute Share** or **Substitute ADR**, as the case may be) and will adjust any relevant terms of the Notes accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Share or Affected ADR; or
- C. if the Calculation Agent has neither retained any Substitute Share or Substitute ADR nor decided to continue with the Affected Share or the Affected ADR, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

*For information purposes*, it is understood that in all cases described herein where a Share or ADR is substituted, on any date "t", with a Substitute Share or Substitute ADR, the value of the relevant component in the formula used to determine the amount to be paid as described in the applicable Final Terms, shall not be affected by the substitution on such date "t" in respect of the Substitute Share or Substitute ADR and would mean that the closing price of such Substitute Share or Substitute ADR on the relevant Exchange on the date "t" is weighted by an appropriate linking coefficient so that it is equal to the closing price of the Affected Share or the Affected ADR on such date "t".

### I.4 Correction of the Closing Price of a Share

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Exchange after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

## II. ADJUSTMENTS AND EVENTS RELATING TO INDICES

### II.1 Adjustments

- A. If an Index is:
  - (a) not calculated and announced by the relevant Index Sponsor or the **Index Calculation Agent** as the case may be, but is calculated and announced by a relevant successor sponsor (the **Successor Sponsor**) or a successor index calculation agent (the **Successor Index Calculation Agent**) acceptable to the Calculation Agent; or
  - (b) replaced by a successor index (the **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 the Index will be deemed to be the index so calculated and announced by the relevant Successor Sponsor or Successor Index Calculation Agent or that Successor Index (as the case may be).

B. If, in the determination of the Calculation Agent:

- (a) on or prior to a Valuation Date or an Averaging Date, the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula for, or the method of calculating, that 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 securities and capitalisation and other routine events);
- (b) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor (or, if applicable, the relevant Successor Sponsor) or the Index Calculation Agent (or the **Successor Index Calculation Agent**) as the case may be, fails to calculate and publish the level of the Index and such failure is likely to have a material impact on the hedge of Société Générale in connection with the Notes; or
- (c) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels the Index and no Successor Index exists;

then the Calculation Agent shall either:

- (x) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, *in lieu* of a published level for the Index, the level of that Index as at the Valuation Time on the relevant Valuation Date or Averaging Date, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that change, failure or cancellation (other than those securities that have since ceased to be listed on any relevant Exchange); or
- (y) replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (x) and if in (y) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of any of the events described in B.(a), B.(b) or B.(c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

In case of Italian Certificates, the Calculation Agent will adjust any relevant terms of the instruments as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the instruments

C. If an Index merges with another index or if an Index which forms part of the Basket merges with another index which does not form part of the Basket (the **Event**), the Calculation Agent will either:

- (a) continue using the index resulting from the merger; or
- (b) replace the Index with another index (the **New Index**); as long as the New Index is (i) representative of the same economic or geographic sector (as the case may be) and

(ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (C) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

D. In the case of a merger affecting two Indices comprised in a Basket (the **Event**), the Calculation Agent will either:

- (a) continue using the index resulting from the merger and, in order to maintain the same number of indices within the Basket, the Calculation Agent will select a further index (a **New Index**) to be included in the Basket, as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies); or
- (b) replace both Indices with two other indices (each a **New Index**); as long as each New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (a) and if in (b) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (D) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

E. If an Index is split into two or more new indices (the **Event**), the Calculation Agent will, either:

- (a) use the indices resulting from the split to determine an index equivalent to the one existing prior to the split (provided that the indices resulting from the split will be deemed to form together the **New Index**); or
- (b) replace the split Index with a new index (a **New Index**) as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be), and (ii) to the extent possible representative of shares listed on one or more Exchange(s) of one or more OECD country(ies).

If the Calculation Agent has not retained (i) and if in (ii) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (E) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

F. In the case of a Basket of Indices, in the event that shares forming part of one Index comprising the Basket represent at least 20 per cent. of the capitalisation of another Index forming part of the Basket (the **Affected Index**) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Affected Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies). If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event, described in this (F),

an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

- G. In the event that an Index ceases to be the underlying of a futures and/or option contract (as the case may be) (the Event), the Calculation Agent may, but is not obliged to, replace such Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies). If no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in this (G), an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

## II.2 Stop-Loss Event relating to an Index

If on any Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of an Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected Index**) and the event, the **Stop-Loss Event**, then:

- A. the Calculation Agent may decide to substitute the Affected Index by a new index representative of the same economic or geographic sector (as the case may be), and to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies) (the **Substitute Index**) and will adjust any relevant terms of the Notes accordingly; or
- B. the Calculation Agent may decide to continue with the Affected Index; or
- C. if the Calculation Agent has neither retained any Substitute Index nor decided to continue with the Affected Index, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

## II.3 Correction of the Closing Price of an Index

In the event that any price or level published on the Exchange or by the Index Sponsor and which is used for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Exchange or the Index Sponsor after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

## III. ADJUSTMENTS AND EVENTS RELATING TO SGI INDICES

### III.1 Adjustments

- A. If on any Scheduled Trading Day, a SGI Index is:
- (a) not published by the relevant **Index Calculation Agent**, but is published by a successor index calculation agent (the **Successor Index Calculation Agent**), acceptable to the Calculation Agent; or
- (b) replaced by a Similar Index,

then in each case that index published by the Successor Index Calculation Agent or Similar Index will be deemed to be the SGI Index so calculated and announced.

- B. If, in the determination of the Calculation Agent:
- (a) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor and/or Index Calculation Agent announce(s) that it/they will make a material change in the formula for or the method of calculating that SGI Index or in any other way materially modifies that SGI Index (other than a modification prescribed in that formula or method to maintain that SGI Index in the event of changes in Index Components and other routine events) (an **Index Modification**); or
  - (b) the Index Sponsor permanently cancels the SGI Index and no Similar Index exists or the agreement between the Index Calculation Agent and the Index Sponsor is terminated (an **Index Cancellation**); or
  - (c) on any Valuation Date or Averaging Date, the Index Calculation Agent fails to publish the Closing Price of the SGI Index other than as a result of the occurrence of a Market Disruption Event (an **Index Disruption**) and together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**);

then the Calculation Agent shall either:

- (w) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, in lieu of a published level for the SGI Index, the level of that SGI Index on the relevant Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that SGI Index last in effect prior to that Index Adjustment Event, but using only those Index Components that comprised the SGI Index immediately prior to that Index Adjustment Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Notes; or
- (x) replace the SGI Index by a Similar Index; or
- (y) consider such Index Adjustment Event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder as soon as possible after the occurrence of any of the events described in B.(a), B.(b) or B.(c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- (z) apply the Monetisation to the Maturity Date (as defined below).

### III.2 Stop-Loss Event relating to a SGI Index

If, on any Exchange Business Day after the initial Valuation Date (excluded) and before the last Valuation Date (included), the Closing Price of a SGI Index is affected by a decrease of 80 per cent. or more of its Closing Price on the initial Valuation Date (the **Affected SGI Index** and the event, the **Stop-Loss Event**), then the Calculation Agent may decide to:

- A. substitute the Affected SGI Index by a Similar Index and will adjust any relevant terms of the Notes accordingly; or
- B. continue with the Affected SGI Index; or

- C. consider such event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- D. continue the Notes according to their terms.

### III.3 Correction of the Closing Price of a SGI Index

In the event that any price or level published by the Index Calculation Agent and which is used for any calculation or determination made under the Notes is subsequently corrected and the correction is published and made available to the public by the Index Calculation Agent after the original publication but no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms), the Calculation Agent will determine the amount that is payable as a result of that correction, and, to the extent necessary, will adjust the terms of the Notes to account for such correction.

### III.4 Monetisation to the Maturity Date

In respect of the Final Redemption Amount the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the Final Terms, but instead will, in full and final satisfaction of its obligations:

- A. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- B. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the

fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Calculation Agent in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day at Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the liabilities of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Calculation Agent.

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Calculation Agent, of one or more (a) position(s) or contract(s) in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities

howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer's obligations under one Note linked to or indexed to the relevant Index due on the Maturity Date.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

#### IV. ADJUSTMENTS AND EVENTS RELATING TO DIVIDENDS

##### IV.1 Adjustments

*Adjustments in relation to an Index the components of which are used to determine the amounts due under Notes indexed on Dividends*

If an event occurs affecting the Index the components of which are used to determine the amounts due under Notes indexed on Dividends, which in the determination of the Calculation Agent has a material effect on the amounts due under the Notes, then the Calculation Agent shall either:

- A. adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- B. replace the Index by a new index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of shares listed on one or more Exchange(s) of one or more OECD country(ies); or
- C. consider such event as an event triggering an early redemption of the Notes and then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

*Adjustments in relation to a Share the dividend of which is used to determine the amounts due under Notes indexed on Dividends*

If an Extraordinary Event (as defined in Part 2-1.2 above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent shall either:

- A. adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- B. replace the Affected Share by the resulting share or by a new share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share; or
- C. apply the Early Redemption (as defined in Part 2 - 1.2) above on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

If a Potential Adjustment Event (as defined in Part 2 - 1.1 above) occurs affecting the Share (the **Affected Share**) the dividend of which is used to determine the amounts due under Notes indexed on Dividends, then the Calculation Agent will, subject to the provisions of the last paragraph of the definition of "Dividend" in Part 1 - VI above, adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event.

## IV.2 Extraordinary Events

### *Failure to Publish*

If during the Dividend Period, the Index Sponsor fails (for whatever reason including without limitation, a Market Disruption Event as defined in Part 1 - I “*Common definitions and provisions for Shares, ADR, Indices and Dividends*”) to calculate and publish the number of free-float shares in respect of any Share or the Official Index Divisor, then the Calculation Agent shall determine the number of free-float shares in respect of such Share or the Official Index Divisor (as the case may be).

In making any such determination, the Calculation Agent may (but shall not be obliged to) make reference to the formula for and method of calculating the number of free-float shares or the Official Index Divisor (as the case may be) last in effect prior to the failure by the Index Sponsor to make the relevant calculation or publication.

### *Dividend Recovery*

If (a) the amount actually paid or delivered by an issuer to holders of record of the relevant Share in respect of any Dividend declared by such issuer (a **Declared Dividend**) to holders of record of such Share is not equal to such Declared Dividend (a **Dividend Mismatch Event**); or (b) such issuer fails to make any payment or delivery in respect of such Declared Dividend by the third Business Day following the relevant due date, then the Calculation Agent may (but shall not be obliged to) determine any appropriate adjustment to be made to account for such correction or subsequent publication, together with interest, on any amount subsequently due under the Notes.

## IV.3 Corrections

In the event that an Official Index Divisor or number of free floating shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to Part 2-IV.2 “*Failure to Publish*”) and utilised for any calculation or determination made in respect of the Notes is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days (as defined in the Definitions specific to Indices in Part 1 - III above) after the original publication, the Calculation Agent will adjust the Dividend, as required, to take into account such correction, *provided that* such correction or subsequent publication occurs no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms).

## V. HEDGING DISRUPTION, INCREASED COST OF HEDGING, INSOLVENCY FILING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES

### V.1 Hedging Disruption, Increased Cost of Hedging and Insolvency Filing

**Hedging Disruption** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), Dividend(s) as Underlying(s), that Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Notes or the agreement entered into with Société Générale by the Issuer of the Notes; or (b) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions as the case may be between accounts within the jurisdiction of the Hedge Positions (the **Affected Jurisdiction**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

**Increased Cost of Hedging** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), Dividend(s) as Underlying(s), that Société Générale or one of its affiliates

would incur a materially increased (as compared with circumstances existing on the date(s) on which Société Générale enters into the Hedge Positions in respect of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

**Insolvency Filing** means, in respect of Notes that have one or more Share(s), ADR(s) or Dividend(s) as Underlying(s) that the 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 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 creditor's 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 Company shall not be deemed an Insolvency Filing.

In the case of the occurrence of a Hedging Disruption or an Increased Cost of Hedging relating to a Share, an Index, a SGI Index, an ADR or Dividend(s) or of the occurrence of an Insolvency Filing relating to a Share, an ADR or Dividend(s) (the **Affected Underlying**), the Calculation Agent may:

- A. consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of a SGI Index, will be a Similar Index; or
- C. apply the Monetisation to the Maturity Date (as defined above).

For the purpose of this provision:

**Hedge Positions** means any purchase, sale, entry into or maintenance of one or more (a) position(s) or contract(s) in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by Société Générale or one of its affiliates, in order to hedge, individually or on a portfolio basis, the Notes.

## V.2 Change in Law

**Change in Law** means in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), or Dividend(s) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Notes (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Société Générale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined in Part 2-V.1 above) or to maintain the agreement entered into with Société Générale or one of its affiliates by the Issuer of the Notes, relating to the Underlying of the Notes (the **Affected Underlying**).

Upon the occurrence, in the determination of the Calculation Agent, on or prior to the last Valuation Date or the last Averaging Date of a Change in Law, then the Calculation Agent will decide with regard to the Affected Underlying by such Change in Law, either:

- A. consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of a SGI Index, will be a Similar Index; or
- C. apply the Monetisation to the Maturity Date (as defined above).

### **PART 3 – CALCULATIONS – PHYSICAL DELIVERY**

#### **I. CALCULATIONS – CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Equity Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Société Générale, 17 cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- B. Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details on such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

#### **II. PHYSICAL DELIVERY NOTES**

- A. Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- B. When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.
- C. Additional terms applicable to the settlement of the Physical Delivery Amount:
  - (a) The Physical Delivery Amount will be determined subject to the provisions in Part 1 and Part 2 of this Equity Technical Annex, relating to Adjustments and Market Disruption Event. If as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof will be payable in cash, on the basis of the value of such Underlying, converted, as the case may be, into the Specified Currency at the current exchange rate.
  - (b) In addition, if a Settlement Disruption Event does prevent delivery of the Physical Delivery Amount on the Maturity Date, then, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place

through the relevant Clearing System (the **Settlement Date**) unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date (the **Delivery Period**). In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered (the **Fair Market Value**) converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.

- (c) If a dividend is paid in respect of the Underlying from and including the Valuation Date to and, as the case may be, (a) excluding the Delivery Date or (b) including, in the event of a Settlement Disruption Event, the date on which the Fair Market Value is calculated, then, the net dividend amount relating to the number of Underlying(s) to be delivered per Note (excluding any related tax credit) converted into the Specified Currency at the current exchange rate, if applicable, will be paid in cash to the Noteholders as soon as practicable, unless otherwise specified in the applicable Final Terms.
- (d) All stamp duties, or other similar taxes and/or duties, in respect of physical delivery of Underlyings shall be borne by the Noteholders.

D. As used in this paragraph:

**Clearing System Day** means, in respect of a Clearing System, any day on which such Clearing System is open for the acceptance and execution of settlement instructions.

**Delivery Date** means, as the case may be, (a) the Maturity Date or (b) in the event of a Settlement Disruption Event, the Settlement Date (as defined above).

**Settlement Disruption Event** means any event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of the Physical Delivery Amount.

## B) FUND TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Equity Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 - DEFINITIONS SPECIFIC TO FUNDS

**Adjusted Intermediate Payment Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Intermediate Full Liquidation Date and (b) the Maturity Date.

**Adjusted Maturity Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Full Liquidation Date and (b) the Postponed Scheduled Maturity Date.

**Adjusted Optional Redemption Date** means the date which is the earlier of (a) the 20th Business Day following the occurrence of the Optional Full Liquidation Date and (b) the Maturity Date.

**Applicable Method** means in respect of a Valuation Date, either Calculation Method, Execution Method/Subscription, Execution Method/Redemption, Order Method/Subscription or Order Method/Redemption. If in respect of the first Valuation Date to occur on or immediately following the Issue Date of the Notes (the **First Valuation Date**), no Applicable Method is specified in the applicable Final Terms, Order Method/Subscription shall be deemed the Applicable Method. If in respect of any Valuation Date which is not the First Valuation Date, no Applicable Method is specified in the applicable Final Terms, Order Method/Redemption shall be deemed the Applicable Method.

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by a Hypothetical Investor in connection with the termination, liquidation or re-establishment of the Hypothetical Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Basket** means a basket composed of Funds (each an Underlying) in the relative proportions or numbers of Funds specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means in respect of any Fund (and in each case as determined by the Calculation Agent):

- A. where **Calculation Method** is specified as applicable to a Valuation Date in the applicable Final Terms, the official net asset value per Unit determined by the Fund (or the Fund Service Provider that generally determines such value) dated as of such Valuation Date; or
- B. where **Execution Method/Subscription** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) scheduled to be executed on the official net asset value per Unit determined by the Fund (or the Fund Service Provider that generally determines such value) dated as of such Valuation Date; or
- C. where **Execution Method/Redemption** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any) that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s), scheduled to be

executed on the official net asset value per Unit determined by the Fund (or the Fund Service Provider that generally determines such value) dated as of such Valuation Date; or

- D. where **Order Method/Subscription** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit including all costs or fees (if any) that would be paid (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the subscription of Unit(s) submitted to and accepted by the Fund on such Valuation Date; or
- E. where **Order Method/Redemption** is specified as applicable to a Valuation Date in the applicable Final Terms, the aggregate amount per Unit net of all costs or fees (if any), that would be received in cash (either on a single date or over a period of time) by a Hypothetical Investor in Fund Units pursuant to a Valid Order for the redemption of Unit(s) submitted to and accepted by the Fund on such Valuation Date.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

where:

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, in respect of the Maturity Date, the date on which the liquidation proceeds of the Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Fund** means, the fund or the pooled investment vehicle as specified in the applicable Final Terms.

**Fund Business Day** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), any date on which a Valid Order can be submitted by a Hypothetical Investor pursuant to the Fund Documents prevailing on the Issue Date of the Notes.

**Fund Documents** means, in respect of any Fund, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund.

**Fund Service Provider** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any fund investment adviser, fund administrator, manager, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary manager or another non-discretionary investment adviser) for such Fund (the **Fund Adviser**), trustee or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, sub-custodian, prime broker, registrar and transfer agent or domiciliary agent.

**Fund Unit** or **Unit** means, in respect of any Fund, a share of such Fund or, if interests in such Fund are not denominated as shares, a unit of account of ownership in such Fund.

**Fund Valuation Day** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), any date as defined in the Fund Documents prevailing on the Issue Date of the Notes in respect of which the official net asset value of such Fund is dated as of such date in accordance with its Fund Documents.

**Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit due on the Maturity Date apportioned pro rata to each outstanding Note provided that, if the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date, then Hypothetical Hedge Positions will include the Intermediate Hypothetical Hedge Positions and/or the Optional Hypothetical Hedge Positions.

**Hypothetical Investor** means, with respect to the Hypothetical Hedge Positions, a hypothetical investor in such Hypothetical Hedge Positions (including the Fund Units), located in France (which for the avoidance of doubt may be Société Générale or one of its affiliates), and deemed, in respect of the Hypothetical Hedge Positions constituted by the Fund Units, to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding Fund Units; (b) in the case of any deemed redemption of such Fund, to have submitted a Valid Order requesting redemption of Fund Units; and (c) in the case of any deemed investment in such Fund, to have submitted a Valid Order requesting subscription of Fund Units.

**Intermediate Amount** means either an Interest Amount or an Instalment Amount.

**Intermediate Full Liquidation Date** means, in respect of any Intermediate Payment Date, the date on which the liquidation proceeds of the Intermediate Hypothetical Hedge Positions (including *inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Intermediate Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Intermediate Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, options, futures,

derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit due on an Intermediate Payment Date, apportioned pro rata to each outstanding Note.

**Intermediate Payment Date** means either an Interest Payment Date or an Instalment Date specified as such in the Final Terms of the relevant Notes.

**Maturity Date** means the date specified as such in the Final Terms of the relevant Notes.

**Maturity Disruption Event** means that an Intermediate Full Liquidation Date and/or an Optional Full Liquidation Date and/or the Full Liquidation Date has not occurred on or before the fourth Business Day preceding the Maturity Date.

**Optional Full Liquidation Date** means, in respect of an Optional Redemption Date, the date on which the liquidation proceeds of the Optional Hypothetical Hedge Positions (including inter alia by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of such Optional Hypothetical Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Hypothetical Investor.

**Optional Hypothetical Hedge Positions** means any purchase, sale, entry into or maintenance, by a Hypothetical Investor, of one or more (a) position(s) or contract(s) in Fund Units, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described, in order to hedge individually or on a portfolio basis, the part of the Issuer's obligations under the Notes linked to or indexed to the relevant Fund Unit due on an Optional Redemption Date, apportioned pro rata to each outstanding Note.

**Optional Redemption Amount** means the amount specified as such in the Final Terms of the relevant Notes.

**Optional Redemption Cut-Off Date** means, with respect to an Optional Redemption Date, the Business Day preceding such Optional Redemption Date by a number of Business Days or calendar days equal to the number of Business Days or calendar days of the notice period (as specified in the applicable Final Terms).

**Optional Redemption Date** means the date specified as such in the Final Terms of the relevant Notes.

**Postponed Scheduled Maturity Date** means, if a Maturity Disruption Event occurs, the date that falls on the second anniversary date of the Maturity Date or if such day is not a Business Day, the immediately following Business Day.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency used to convert such amount on such date into the Specified Currency as determined by the Calculation Agent.

**Valid Order** means a valid and timely subscription or redemption order sent to the Fund or the Fund Service Provider that generally accepts such order, in accordance with the subscription or redemption notice period and the relevant cut off time as set forth in the Fund Documents.

**Valuation Date** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), each date specified as such in the applicable Final Terms or if, for a Fund, such date is not a Fund Business Day or a Fund Valuation Day (as the case may be), the next

following Fund Business Day or Fund Valuation Day for such Fund (the **Scheduled Valuation Date**), unless such day is a Disrupted Day in which case the Valuation Date shall be determined in accordance with the provisions of Part 2-III "*Disruption Events relating to any Fund and/or any Fund Unit*". Any Initial Valuation Date, Final Valuation Date, annual Valuation Date, quarterly Valuation Date, monthly Valuation Date or weekly Valuation Date specified in the Final Terms shall be deemed to be a Valuation Date for the purposes of this Technical Annex.

## **PART 2 - ADJUSTMENTS, EXTRAORDINARY EVENTS, DISRUPTION EVENTS AND MATURITY DISRUPTION EVENT SPECIFIC TO FUNDS**

### **I. ADJUSTMENTS**

In the case of the occurrence at any time on or after the Issue Date of any event affecting a Fund or the value of the relevant Units including, without limitation:

- A. a subdivision, consolidation or reclassification of the relevant number of Fund Units, or a free distribution or dividend of any such Fund Units to existing holders by way of bonus, capitalisation or similar issue;
- B. a distribution, issue or dividend to existing holders of the relevant Fund Units of (a) an additional quantity of such Fund Unit, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Units, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- C. an extraordinary dividend;
- D. a repurchase by the Fund of relevant Fund Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Units initiated by an investor in such Fund Units that is consistent with the Fund Documents; or
- E. any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Units or quantity of Fund Units;

the Calculation Agent may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### **II. EXTRAORDINARY EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT**

Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of any of the following events (each an **Extraordinary Event**) on or after the Issue Date:

- A. **Change in Law** means that (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (x) it has become illegal for a Hypothetical Investor to hold, acquire or dispose of the Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions (including the relevant Fund Units) or it has become illegal to maintain the agreement entered into by Société Générale and/or one of its affiliates with the Fund or a Fund Service Provider mentioned in "Breach or Termination of Agreement" in (B) below, or (y) Société Générale

and/or one of its affiliates will incur a materially increased cost in performing its obligations under such Notes or the agreement entered into by Société Générale or the Issuer of the Notes with the Fund or the Fund Service Provider mentioned in "Breach or Termination of Agreement" in (B) below (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- B. **Breach or Termination of Agreement** means any failure by the Fund or a Fund Service Provider, as the case may be, to comply with or perform any agreement entered into by the Fund or a Fund Service Provider with Société Générale and/or one of its affiliates, defining the terms and conditions at which Société Générale and/or one of its affiliates may make subscriptions and/or redemptions in the Fund Units (as the case may be, different from the subscriptions and redemptions terms then prevailing pursuant to the Fund Documents), including as the case may be the rebates of management fees to be paid to Société Générale and/or one of its affiliates, the termination of such agreement by the Fund or a Fund Service Provider for reasons beyond the control of Société Générale or its affiliates or the failing or ceasing of such agreement to be in full force and effect or the Fund or the Fund Service Provider disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such agreement;
- C. **Closure of the Fund** means liquidation, winding up or dissolution of the Fund for any reason other than those mentioned in (F) or (K) below;
- D. **Fund Adviser Event** means that the Calculation Agent determines that over a period of twelve months, the total value of the assets managed by the Fund Adviser (including the Fund) has decreased by 50 per cent. (either due to redemptions or decrease in value of such assets);
- E. **Fund Hedging Disruption** means that a Hypothetical Investor is unable or it is impractical for a Hypothetical Investor, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions, without limitation, where such inability or impracticability has arisen by reason of (i) the transfer of all illiquid assets of the Fund being all or part of the Intermediate and/or Optional Hypothetical Hedge Positions to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (ii) the restriction on the amount or number of redemptions or subscriptions that the Fund (or the Fund Service Provider generally in charge of accepting the redemption or subscriptions orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (iii) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting the subscription and redemption orders), or (iv) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), or increase in charges or fees imposed by the relevant Fund or (v) any mandatory redemption, in whole or in part, of such Fund Unit imposed by the relevant Fund, in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date;
- F. **Fund Insolvency Event** means, in respect of any Fund Unit, that the related Fund (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (b) makes a general assignment or arrangement with or for the benefit of its creditors, (c) (i) 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 (ii) 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 clause (i) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (d) 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; (e) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (e) through (f) above;

- G. **Fund Modification** means any change or modification of the related Fund Documents prevailing on the Issue Date of the Notes, that could reasonably be expected to affect the value of such Fund Unit or the rights or remedies of any holders thereof (including but not limited to an open-end fund that becomes a closed-end fund), as determined by the Calculation Agent;
- H. **Fund Service Provider Event** means (a) a change, resignation, termination or replacement of any Fund Service Provider, (b) a change of control or indirect control of any Fund Service Provider, (c) any of the Fund Service Provider is subject to a **Fund Service Provider Insolvency Event**, where "Fund Service Provider Insolvency Event" has the same meaning as Fund Insolvency Event described in (F) above, except that Fund is replaced by Fund Service Provider or (d) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the Issue Date or the resignation, termination, replacement, or death of any person deemed to be key in the management of the Fund has occurred;
- I. **Holding Ratio** means the reduction of the Fund's aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of Fund Units held, or likely to be held, by a Hypothetical Investor, or any funds managed by Société Générale and/or one of its affiliates, to such extent that the full redemption in one single Valid Order of the Fund Units held by a Hypothetical Investor or funds managed by the same, is likely to be impaired;
- J. **Increased Cost of Hedging** means that a Hypothetical Investor would incur a materially increased (as compared with circumstances existing on the Issue Date of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions, provided that, assuming the Hypothetical Investor is Société Générale, any such materially

increased amount that is incurred solely due to the deterioration of the creditworthiness of the Société Générale or one of its affiliates shall not be deemed an Increased Cost of Hedging;

- K. **Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (a) all the Fund Units of that Fund are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them;
- L. **Liquidity Modification** means that the Fund modifies the terms and conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Issue Date of the Notes or implements a modification of the conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund regardless as to whether the principle of such modification was already envisaged in the Fund Documents as of the Issue Date of the Notes;
- M. **Merger Event** means the conversion of the Fund Unit into another class of fund units or securities, or the split of the Fund, its consolidation or its merger with, or its sale or its conveyance of all or substantially all its assets to, a third party;
- N. **Nationalisation** means that all the Fund Units or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- O. **Regulatory Action** means, with respect to any Fund Unit, (a) cancellation, suspension or revocation of the registration or approval of such Fund Unit or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Unit or Fund, (b) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund Unit or on any investor therein (as determined by the Calculation Agent), or (c) the related Fund or any of its Fund Service Provider becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund or Fund Service Provider;
- P. **Reporting Disruption** means, in respect of any Fund Unit, any failure of the related Fund to deliver, or cause to be delivered, (a) information that such Fund has agreed to deliver, or cause to be delivered to a Hypothetical Investor or (b) information that has been previously delivered to a Hypothetical Investor in accordance with such Fund, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Units;
- Q. **Strategy Breach** means (a) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of the Fund Units or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent or (b) any material modification, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Issue Date of the Notes by reason of, but not limited to, the modification of the proportions, or reduction of diversification, of the type of assets in which the Fund invests or a reduction of the average liquidity of the assets of the Fund;

then the Calculation Agent may:

- X. consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event

occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or

Y. in the case of (M) above only, replace the Fund Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Fund Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Fund Unit and make any adjustment (if necessary) to the value of such Fund Unit; or

Z. determine that the Issuer will apply one of the following methods:

(a) **Monetisation to the Maturity Date**

(i) in respect of the Intermediate Amount(s), and the Issuer shall no longer be liable for the payment, on any Intermediate Payment Date following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:

(1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent,

equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

- (ii) in respect of the Final Redemption Amount and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**)

between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

- (b) **Postponement to the Adjusted Intermediate Payment Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date(s) following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation

Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero

or,

- (c) **Substitution** and the Calculation Agent shall (i) identify a Fund (the **New Fund**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **Affected Fund**) and (ii) may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

### III. DISRUPTION EVENTS RELATING TO ANY FUND AND/OR ANY FUND UNIT

Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of any of the following events (each a **Disruption Event**) in respect of a Valuation Date (the **Disrupted Day**) and a Fund or Fund Unit:

- A. **Calculation and/or Publication Disruption** means the occurrence of an event, beyond the control of a Hypothetical Investor (including in the case of any gate, deferral, suspension or other provisions in the Fund Documents permitting the Fund to delay or refuse subscription and/or redemption orders) which precludes the calculation and/or publication of the official net asset value per Unit of the Fund by the Fund (or the Fund Service Provider generally in charge of calculating such official net asset value); or
- B. **Fund Settlement Disruption** means a failure by the Fund to pay in cash the full amount of the redemption proceeds on the date by which the Fund was scheduled to have paid such amount and which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price, including without limitation due to (a) the transfer of all illiquid assets of such Fund to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (b) the restriction on the amount or number of redemptions orders that the Fund (or the Fund Service Provider generally in charge of accepting redemption orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (c) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting subscription and redemption orders), or (d) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date; or
- C. **NAV Determination Disruption Event** means the occurrence of any event (beyond the control of a Hypothetical Investor) other than the events mentioned in "*Calculation and/or Publication Disruption*" in (A) above or "*Fund Settlement Disruption*" in (B) above affecting such Fund which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price,

the Valuation Date, in respect of the Affected Fund, shall be postponed to the immediately following Fund Business Day or Fund Valuation Day (as specified to be applicable in relation to such Valuation Date in the Final Terms) that is no longer affected by a Disruption Event for such Affected Fund.

If a Disruption Event has occurred or is continuing on each of the five scheduled Fund Business Days or Fund Valuation Days, as the case may be, following the Scheduled Valuation Date or if no Fund Business Day or Fund Valuation Day, as the case may be, that is not affected by a Disruption Event has occurred at the latest on the thirty-fifth calendar day following the Scheduled Valuation Date, then the Calculation Agent may either:

- X. determine its good faith estimate of the net asset value per Unit of such Fund which shall be deemed to be the Closing Price in respect of such Valuation Date provided that if the Calculation Agent decides to make such determination, the Valuation Date shall occur no later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of such determination; or
- Y. consider such Disruption Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- Z. determine that the Issuer will apply one of the following methods:
- (i) In respect of the Intermediate Amount,

- (1) the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date related to the Disrupted Day, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:
- (1.1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (1.2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which,

converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

(2) the **Postponement to the Adjusted Intermediate Payment Date** and the Issuer shall no longer be liable for the payment, on such Intermediate Payment Date, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:

(2.1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

(2.2) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which cannot be in any case lower than an amount strictly positive (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount

per Note equal to the Minimum Intermediate Amount and (b) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

and/or,

- (ii) in respect of the Final Redemption Amount, the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under

its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (2) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or,

- (iii) **Substitution** and the Calculation Agent shall (1) identify a Fund (the **New Fund**) having an investment strategy similar to the investment strategy of the Fund affected by the Extraordinary Event (the **Affected Fund**) and (2) may adjust any relevant terms of the Notes to preserve the economic equivalent of the obligations of the Issuer under the Notes.

Notwithstanding the foregoing, in respect of any Notes, a Valuation Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date; if a Valuation Date (postponed as the case may be pursuant to the provisions above) would fall less than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date, then that fourth Business Day shall be deemed the Valuation Date and the Calculation Agent shall make the determinations described in (X) above on such fourth Business Day and the good faith estimate of the net asset value of the Fund so calculated shall be deemed the Closing Price.

#### IV. OCCURRENCE OF AN EXTRAORDINARY EVENT OR A DISRUPTION EVENT IN RELATION TO AN OPTIONAL REDEMPTION

If "Redemption at the option of the Noteholders" or "Redemption at the option of the Issuer" is specified as being applicable in the Final Terms of the relevant Notes:

- A. Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, the Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling after the date of such occurrence shall be null and void.
- B. Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, with respect to Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling on or before the date of such occurrence, the Calculation Agent will determine which one of the following methods the Issuer will apply:
- (a) **Early Redemption Event** and the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- (b) **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (ii) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an

amount strictly positive (the **Optional Minimum Redemption Amount**), pay (a) on the Optional Redemption Date an amount per Note equal to the Optional Minimum Redemption Amount and (b) on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Optional Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

or,

- (c) **Postponement to the Adjusted Optional Redemption Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision); for the avoidance of

doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Optional Minimum Redemption Amount**), pay (a) on the Optional Redemption Date an amount per Note equal to the Optional Minimum Redemption Amount and (b) on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in the case of a Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Optional Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

#### V. MATURITY DISRUPTION EVENT RELATING TO ANY FUND AND/OR ANY FUND UNIT

Upon the occurrence or the likely occurrence, as determined by the Calculation Agent, of a Maturity Disruption Event:

- A. the Issuer shall consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- B. the Maturity Date of the Notes shall be postponed to the Adjusted Maturity Date; and
- C. the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Intermediate Amount and/or Optional Redemption Amount and/or Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (a) in respect of the Intermediate Amount and/or Optional Redemption Amount,
    - (i) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note,

determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Intermediate Payment Date and/or the Optional Redemption Date in the case of a Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- (ii) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Payment Amount**), pay (a) on the Maturity Date an amount per Note equal to the Minimum Payment Amount and (b) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to Intermediate Payment Date and/or the Optional Redemption Date in the case of a Disruption Event giving rise to the Maturity Disruption Event) the Intermediate and/or Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate or Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate and/or Optional Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation**

**Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate and/or Optional or Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate and/or Optional Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero,

and/or,

- (b) in respect of the Final Redemption Amount,
  - (i) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
  - (ii) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay (a) on the Maturity Date an amount per Note equal to the Minimum Redemption Amount and (b) on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, equal to the positive difference between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating (pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the last Valuation Date) the Hypothetical

Hedge Positions (inter alia by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period, if any, (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Adjusted Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

- D. If the Full Liquidation Date has not occurred, at the latest on the fourth Business Day preceding the Postponed Scheduled Maturity Date, as determined by the Calculation Agent, the amount paid by the Issuer on the Postponed Scheduled Maturity Date pursuant to (B) or (C) above, shall be determined by the Calculation Agent on the basis of (a) the net positive cash amount that a Hypothetical Investor would be left with on such fourth Business Day preceding the Postponed Scheduled Maturity Date as a result of liquidating (pursuant to the provisions above) the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such the Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the fourth Business Day preceding the Postponed Scheduled Maturity Date, is a **Calculation Amount** for the purposes of this provision), for the avoidance of doubt, the liquidation proceeds of any assets held by the Hypothetical Investor under its Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

### **PART 3 - CALCULATIONS - PHYSICAL DELIVERY**

#### **I. CALCULATIONS – CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Fund Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Société Générale of 17 cours Valmy F 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- B. Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details of such

adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

## II. PHYSICAL DELIVERY NOTES

- A. Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- B. When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.
- C. Additional terms applicable to the settlement of the Physical Delivery Amount:
- (a) The Physical Delivery Amount will be determined subject to the provisions in Part 1 and Part 2 (above) of this Fund Technical Annex, relating to Adjustments and Market Disruption Event. If as a result of an adjustment or otherwise, the number of Underlyings to be delivered is not a whole number, any fraction thereof will be payable in cash, on the basis of the value of such Underlying, converted, as the case may be, into the Specified Currency at the current exchange rate.
  - (b) In addition, if a Settlement Disruption Event does prevent delivery of the Physical Delivery Amount on the Maturity Date, then, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place through the relevant Clearing System (the **Settlement Date**) unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date (the **Delivery Period**). In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered (the **Fair Market Value**) converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.
  - (c) If a dividend is paid in respect of the Underlying from and including the Valuation Date to and, as the case may be, (a) excluding the Delivery Date or (b) including, in the event of a Settlement Disruption Event, the date on which the Fair Market Value is calculated, then, the net dividend amount relating to the number of Underlying(s) to be delivered per Note (excluding any related tax credit) converted into the Specified Currency at the current exchange rate, if applicable, will be paid in cash to the Noteholders as soon as practicable, unless otherwise specified in the applicable Final Terms.
  - (d) All stamp duties, or other similar taxes and/or duties, in respect of physical delivery of Underlyings shall be borne by the Noteholders.
- D. As used in this paragraph:

**Clearing System Day** means, in respect of a Clearing System, any day on which such Clearing System is open for the acceptance and execution of settlement instructions.

**Delivery Date** means, as the case may be, (a) the Maturity Date or (b) in the event of a Settlement Disruption Event, the Settlement Date (as defined above).

**Settlement Disruption Event** means any event beyond the control of the Issuer as a result of which the relevant Clearing System cannot clear the transfer of the Physical Delivery Amount.

## C) COMMODITIES TECHNICAL ANNEX

In the case of Italian Certificates, all references in this Commodities Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – DEFINITIONS

#### I. COMMODITY REFERENCE PRICES

**Commodity Reference Price** means any of (a) the prices specified for the relevant Commodity below, (b) the Closing Price for the relevant Index specified in the applicable Final Terms or (c) any other price specified in the applicable Final Terms:

**AL** for a date means the settlement price per tonne of high grade *primary aluminium* at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**BL** for a date means the settlement price per barrel of the Brent blend crude oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CC** for a date means the settlement price per metric tonne of Cocoa Bean on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "CCc1" for a First Nearby Month Futures Contract and "CCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CL** for a date means the settlement price per barrel of the West Texas Intermediate light sweet crude oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms) stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CO** for a date means the settlement price per bushel of No.2 Yellow Corn on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page "Cc1" for a First Nearby Month Futures Contract and "Cc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CT** for a date means the settlement price per pound of Cotton No.2 on the ICE of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "CTc1" for a First Nearby Month Futures Contract and "CTc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**CU** for a date means the settlement price per tonne of copper Grade A at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final

Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**DA** for a date means the settlement price per 100 pounds of Class III Milk on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the CME for that date (available on page "DAc1" for a First Nearby Month Futures Contract and "DAc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**EU2** for a date means the settlement price per emissions allowance (such emissions allowance being an entitlement to emit one tonne of carbon dioxide equivalent gas) on the ICE of the ICE ECX CFI December Futures Contract which first expires on or following that date (unless otherwise provided for in the applicable Final Terms), stated in EUR, as determined and made public by the ICE for that date (available on page "0#CFI: " of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**FC** for a date means the settlement price per pound of Feeder Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "FCc1" for a First Nearby Month Futures Contract and "FCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GL** for a date means the settlement price per metric ton of the gas oil on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the ICE for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**GO** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, as determined and made public by the London Gold Market for that date (available on page "GOFO" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**HO** for a date means the settlement price per US Gallon of the heating oil on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KC** for a date means the settlement price per pound of Arabica Coffee on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "KCc1" for a First Nearby Month Futures Contract and "KCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**KW** for a date means the settlement price per bushel of Hard Red Winter Wheat on the KBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the KBOT for that date (available on page "KWc1" for a First Nearby Month Futures Contract and "KWc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LC** for a date means the settlement price per pound of Live Cattle on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LCc1" for a First Nearby Month Futures Contract and "LCc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**LH** for a date means the settlement price per pound of Lean Hogs on the CME of the First Nearby Month Futures Contract subject to Roll Adjustment 1 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CME for that date (available on page "LHc1" for a First Nearby Month Futures Contract and "LHc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NG** for a date means the settlement price per MMBTU of natural gas on the NYMEX of the Henry Hub Natural Gas of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETNGS" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**NI** for a date means the settlement price per tonne of Primary Nickel at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Rates and on the relevant page of the Bloomberg terminal).

**OJ** for a date means the settlement price per pound of Frozen Concentrated Orange Juice on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the ICE for that date (available on page "OJc1" for a First Nearby Month Futures Contract and "OJc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal)

**PB** for a date means the settlement price per tonne of the Standard Lead at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PD** for a date, means the afternoon (unless otherwise provided for in the applicable Final Terms) Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page "STBL" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**PT** for a date means the afternoon (unless otherwise provided for in the applicable Final Terms) Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in USD, as determined and made public by the LPPM for that date (available on page "STBL" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**RB** for a date means the settlement price per US Gallon of the reformulated gasoline blendstock for oxygen blending on the NYMEX of the First Nearby Month Futures Contract (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the NYMEX for that date (available on page "SETT" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SB** for a date means the settlement price per pound of Sugar #11 on the ICE of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the ICE for that date (available on page "SBc1" for a First Nearby Month Futures Contract and "SBc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SI** for a date means the Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. cents, as determined and made public by the London Silver Market for that date (available on page "SIFO" of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SM** for a date means the settlement price per metric ton of Soybean Meal on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the CBOT for that date (available on page "SMc1" for a First Nearby Month Futures Contract and "SMc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**SO** for a date means the settlement price per bushel of Soybean on the CBOT of First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S cents, as determined and made public by the CBOT for that date (available on page "Sc1" for a First Nearby Month Futures Contract and "Sc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**WH** for a date means the settlement price per bushel of deliverable grade wheat on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms), stated in U.S. cents, as determined and made public by the CBOT for that date (available on page "Wc1" for a First Nearby Month Futures Contract and "Wc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

**ZN** for a date means the settlement price per tonne of Special High Grade Zinc at the end of the second morning ring on the LME for cash delivery (unless otherwise provided for in the applicable Final Terms), stated in USD, as determined and made public by the LME for that date (available on page "0#LME-OPR" of the Reuters Monitor Rates Service and on the relevant page of the Bloomberg terminal).

## II. PRICE SOURCES

**Price Source** means, with respect to a Commodity Reference Price, the Exchange, Index Sponsor or other entity, as specified in the definition of that Commodity Reference Price as the entity which determines and makes public the relevant price.

**APX** means the Amsterdam Power Exchange N.V. or its successor.

**CBOT** means the Chicago Board of Trade or its successor.

**CME** means the Chicago Mercantile Exchange or its successor.

**COMEX** means the Commodity Exchange Inc., New York or its successor.

**ICE** or **Futures ICE** means the Intercontinental Exchange, Inc. or its successor.

**KBOT** means the Kansas City Board of Trade or its successor.

**LBMA** means the London Bullion Market Association or its successor.

**LME** means the London Metal Exchange Limited or its successor.

**London Gold Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

**London Silver Market** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver.

**LPPM** means the London Platinum and Palladium Market or its successor.

**NORDPOOL** means the Nord Pool ASA (The Nordic Power Exchange) or its successor.

**NYMEX** means the New York Mercantile Exchange or its successor.

**OMLX** means the OM London Exchange Ltd. or its successor.

**SIMEX** means the Singapore International Monetary Exchange, Inc. or its successor.

### III. OTHER DEFINITIONS

**Barrier Level** means the level specified as such in the applicable Final Terms.

**Barrier Date** means a date with respect to which the Calculation Agent determines whether a Barrier Level is reached or any other condition has occurred, and which includes each date specified as such in the applicable Final Terms. If a date is specified in the applicable Final Terms as both a Barrier Date and a Valuation Date, it will be considered as a Valuation Date. With respect to a Commodity, Barrier Date is subject to Commodity Business Day Adjustment. With respect to an Index, Barrier Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, Common Commodity Business Day or Common Index Business Day, as relevant, is applicable to Barrier Dates.

**Basket** means a basket of Commodities specified in the applicable Final Terms.

**Business Day** means a "Business Day" as defined in Condition 3 of the Terms and Conditions, as relevant, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** for a date means, with respect to an Index, the closing level of the Index determined and made public by the Index Sponsor for that date.

**Commodity** means any of the commodities referenced in the relevant Commodity Reference Price, commodities comprised in an Index or any Underlying Index, if applicable or any commodity otherwise specified in the applicable Final Terms.

**Commodity Business Day** means (a) when the Commodity Reference Price is a price determined and made public by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a scheduled trading day on that Exchange and, (b) when the Commodity Reference Price is not a price determined and made public by an Exchange, a day with respect to which the relevant Price Source is scheduled to make public a price.

**Common Commodity Business Day** means, with respect to a Barrier Date, a day which is a Commodity Business Day with respect to all Commodity Reference Prices specified in the applicable Final Terms.

**Common Index Business Day** means, with respect to a Barrier Date, a day which is an Index Business Day with respect to all Indices specified in the applicable Final Terms.

**Commodity Intraday Price** means, with respect to a Commodity and a day, any price at which such Commodity has been traded on the relevant Exchange at any time during that day, as determined by the Calculation Agent, such price to include the Commodity Reference Price.

**Exchange** means the exchange or principal trading market specified in the applicable Final Terms, provided that with respect to an Index, **Exchange** means the exchange or quotation system on which the commodities comprised in the Index are traded, or any successor exchange or quotation system or any substitute exchange or quotation system acceptable to the Calculation Agent, in particular by reason of comparable liquidity relative to the relevant Commodities.

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

**Futures Contract** means, with respect to a Commodity Reference Price and a Valuation Date or a Barrier Date, a standardised contract, traded on the Exchange referenced in that Commodity Reference Price, for future delivery of a contract size of the Commodity referenced in that Commodity Reference Price, as specified in the applicable Final Terms, provided that, (a) if a particular date or month is specified in the applicable Final Terms, the relevant Futures Contract will be the Futures Contract providing for delivery on that date or month, (b) if First Nearby Month, Second Nearby Month etc. is specified in the Final Terms, the relevant Futures Contract will be respectively the first Futures Contract, the second Futures Contract etc. to expire on the relevant Valuation Date or Barrier Date.

**Gold Intraday Price** means the Gold Intraday Price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, for that date available on page "XAU=EBS" (or any succeeding page) of the Reuters Monitor Money Rates Service (or any succeeding page).

**Index** means the index on commodities specified in the applicable Final Terms.

**Index Business Day** means, with respect to an Index, any day (a) on which the Index Sponsor and the Underlying Index Sponsor are scheduled to determine and make public the Closing Price of the Index and Underlying Index, as applicable, on the relevant Index Sponsor's and Underlying Index Sponsor's website and (b) which is a trading day on the relevant Exchange for all Relevant Futures Contracts.

**Index Sponsor** means the corporation or other entity as specified in the applicable Final Terms which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) makes public (directly or through an agent) the level of the relevant Index on a regular basis.

**Index Disruption Event** means, with respect to an Index, any of the following events:

- A. the failure by the Index Sponsor to make public the Closing Price on the relevant Index Sponsor's website or, with respect to a Barrier Date, the failure of the Index Sponsor to make public the Closing Price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable.
- B. the failure by the Underlying Index Sponsor to make public the Closing Price of the Underlying Index on the relevant Underlying Index Sponsor's website.
- C. the failure by the relevant Exchange to determine or make public the settlement price for a Relevant Futures Contract, provided however that this Index Disruption Event shall not apply to a Barrier Date.
- D. the material suspension of trading (**Trading Suspension**) or the material limitation imposed on trading (**Trading Limitation**) (whether by reason of movements in price reaching limits established by the relevant Exchange within which the price of the relevant Futures Contract may fluctuate (**Limit Price**) or otherwise) in the Relevant Futures Contract on the relevant

Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price for a Relevant Futures Contract will not be considered as an Index Disruption Event.

**Initial Valuation Date** means the date specified as such in the applicable Final Terms.

**Market Disruption Event** means, with respect to a Commodity, any event that, in the reasonable opinion of the Calculation Agent, disrupts or impairs the determination of the price of such Commodity for a Valuation Date or a Barrier Date, as relevant, and includes, without limitation:

- A. the failure by the relevant Price Source to make public the relevant price for a Valuation Date or, with respect to a Barrier Date, the failure of such relevant Price Source to make public the relevant price by 8:30 am New York time on the next following London and/or New York Business Day, as applicable, or the temporary or permanent discontinuance or unavailability of the Price Source.
- B. the Trading Suspension or the Trading Limitation (whether by reason of movements in price reaching the limits of the Limit Price or otherwise) in the relevant Commodity on the relevant Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price will not be considered as a Market Disruption Event.

The occurrence of a Market Disruption Event is determined by the Calculation Agent in good faith.

**MMBTU** means one million British thermal units.

**Observation Business Day** means a day (other than a Saturday or a Sunday) on which commercial banks are open for business either in London or in New York.

**Observation Barrier Period** means, unless otherwise specified in the applicable Final Terms, the period from and including the first Valuation Date to and including the last Valuation Date.

**Relevant Futures Contract** means each futures contract comprised in the Index or in the Underlying Index.

**Roll Adjustment** means any of the following roll rules:

**Roll Adjustment 1:** For a Valuation Date falling on a day which is the last trade date of the First Nearby Month Futures Contract, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Roll Adjustment 2:** For a Valuation Date falling after a day which is the standard (last) expiration date of the First Nearby Month Futures option contract, traded on the Exchange referred to in the relevant Commodity Reference Price, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Roll Adjustment 3:** For a Valuation Date falling on or after the first notice date of the First Nearby Month Futures Contract traded on the Exchange referred to in the relevant Commodity Reference Price, the relevant Futures Contract will be the Second Nearby Month Futures Contract.

**Silver Intraday Price:** means the Silver Intraday Price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in USD, for that date available on page "XAG=EBS" of the Reuters Monitor Money Rates Service (or any succeeding page).

**Strike Price** means the price specified as such in the applicable Final Terms.

**Underlying Index** means each index comprised in an Index.

**Underlying Index Sponsor** means the corporation or other entity as specified in the applicable Final Terms which (a) is responsible for establishing and reviewing the rules, procedures and the methods of calculation and adjustments, if any, related to the relevant Underlying Index and (b) makes public (directly or through an agent) the level of the relevant Underlying Index on a regular basis.

**Valuation Date** means a date with respect to which a Commodity Reference Price is determined and includes the Initial Valuation Date and the Final Valuation Date, as the case may be, and/or each date specified as such in the applicable Final Terms. With respect to a Commodity, Valuation Date is subject to Commodity Business Day Adjustment. With respect to an Index, Valuation Date is subject to Index Business Day Adjustment. Unless otherwise specified in the applicable Final Terms, neither Common Commodity Business Day nor Common Index Business Day, as relevant, is applicable to Valuation Dates.

## **PART 2 – PROVISIONS APPLICABLE TO COMMODITIES (OTHER THAN INDICES)**

### **I. COMMODITY BUSINESS DAY ADJUSTMENT**

- A. If a Valuation Date is not a Commodity Business Day with respect to a Commodity Reference Price, then the Valuation Date for such Commodity Reference Price shall be postponed to the next day which is a Commodity Business Day with respect to such Commodity Reference Price, subject to valuation deadline provisions in C below.
- B. If a Barrier Date is not a Common Commodity Business Day, then such Barrier Date shall be postponed to the next day which is a Common Commodity Business Day, subject to determination deadline provisions in C below.
- C. Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date, as the case may be. Such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market value of the Commodity or Commodities for which that fourth Business Day is not a Commodity Business Day.

### **II. CONSEQUENCES OF MARKET DISRUPTION EVENTS**

- A. If a Market Disruption Event occurs or is continuing with respect to a Commodity Reference Price on a Valuation Date, then the price of such Commodity with respect to such Valuation Date will be:
  - (a) the Commodity Reference Price for such Valuation Date published by the relevant Exchange on the next Commodity Business Day on which there is no Market Disruption Event (the **Determination Day**), provided that such Determination Day shall fall within a period of five Observation Business Days from and including such Valuation Date.
  - (b) If the Commodity Reference Price is not determined as per paragraph (a) above or is a Limit Price, the Commodity Reference Price published by the relevant Exchange for the next Commodity Business Day on which there is no Trading Limitation or Trading Suspension, provided that such Determination Day shall fall within a period of five Observation Business Days from and including the relevant Valuation Date.

The determination of the Commodity Reference Price in (a) and (b) above is subject to determination deadline provisions in B below.

(c) If there is no Determination Day within a period of five Observation Business Days following the Valuation Date, then the prices for such Valuation Date shall be determined, in good faith, by the Calculation Agent on such fifth Observation Business Day, using:

(i) with respect to the Commodity or Commodities which are not affected by a Market Disruption Event on the fifth Observation Business Day, the relevant Commodity Reference Price for that fifth Observation Business Day and

(ii) with respect to the Commodity or Commodities which are affected by a Market Disruption Event on the fifth Observation Business Day, the fair market value of such Commodity or Commodities.

B. Notwithstanding the foregoing, the prices for a Valuation Date shall be determined by the Calculation Agent at the latest on the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date. This Part 2-II shall not apply to a Barrier Date.

### **III. CONSEQUENCES OF EXTRAORDINARY EVENTS AFFECTING THE COMMODITIES OR COMMODITY REFERENCE PRICES**

If, in the determination of the Calculation Agent:

A. the relevant Commodity Reference Price disappears or permanently discontinues or otherwise becomes unavailable; or

B. at any time following the first Valuation Date, a material change in the formula or the calculation method for the relevant Commodity Reference Price occurs; or

C. at any time following the first Valuation Date, a material change in the content, the composition or the constitution of the relevant Commodity occurs,

then the Calculation Agent will be entitled to either:

Y. determine in good faith the fair market value of the relevant Commodity for the relevant Valuation Date or Barrier Date; or

Z. replace, to the extent possible, the affected Commodity Reference Price with a similar price.

If the Calculation Agent does not make a determination in accordance with Y above and if in the determination of the Calculation Agent, no price meets the criteria to be an appropriate replacement price in accordance with Z above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

### **IV. CONSEQUENCES OF ADJUSTMENT EVENTS AFFECTING THE COMMODITY REFERENCE PRICE**

If a Commodity Reference Price made public on the relevant Price Source's page and utilised in any calculation or determination made under the Notes is subsequently corrected and the correction is made available to the public on the relevant Price Source's page after the original publication but no later than four Commodity Business Days or Index Business Days, as applicable, prior to the Maturity Date or any payment date(s) (as set out in the applicable Final Terms), the Calculation Agent will determine in its sole discretion whether adjustments to the terms of the Notes are necessary to account for such correction. Any adjustment resulting from such correction shall be made in the Calculation Agent's sole discretion.

### **PART 3 - PROVISIONS APPLICABLE TO INDICES ON COMMODITIES**

#### **I. INDEX BUSINESS DAY ADJUSTMENT**

- A. If a Valuation Date is not an Index Business Day with respect to an Index, then the Valuation Date for such Index shall be postponed to the next day which is an Index Business Day with respect to such Index, subject to valuation deadline provisions in C below.
- B. If a Barrier Date is not a Common Index Business Day, then such Barrier Date shall be postponed to the next day which is a Common Index Business Day, subject to determination deadline provisions in C below.
- C. Notwithstanding the foregoing, a Valuation Date or a Barrier Date shall occur not later than the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date or Barrier Date; as the case may be. Such fourth Business Day shall be deemed to be the Valuation Date or Barrier Date, as relevant, and the Calculation Agent shall determine in good faith the fair market level of the Index or Indices for which that fourth Business Day is not an Index Business Day.

#### **II. CONSEQUENCES OF INDEX DISRUPTION EVENTS**

- A. If a Valuation Date specified in the Final Terms is subject to an Index Disruption Event for an Index and any Underlying Index, as applicable, the level of such Index or Underlying Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for that Index and Underlying Index, as applicable, last in effect prior to the occurrence of the first Index Disruption Event (subject to determination deadline provisions in B below), using:
- (a) with respect to each commodity comprised in the Index or any Underlying Index for which no Relevant Futures Contract is affected by an Index Disruption Event, its settlement price as determined and made public by the relevant Exchange for the Valuation Date; and
  - (b) with respect to each commodity comprised in the Index or any Underlying Index for which one or more Relevant Futures Contract(s) is affected by an Index Disruption Event:
    - (i) the settlement price of Relevant Futures Contracts related to such commodity as determined and made public by the relevant Exchange on the Valuation Date or retrospectively within five Observation Business Days from and including the relevant Valuation Date;
    - (ii) if the settlement price is not determined as per (i) above or is a Limit Price, the settlement price of all Relevant Futures Contract related to such commodity published by the relevant Exchange for the next Commodity Business Day with respect to all Relevant Futures Contracts and on which the Index Disruption Event ceases to exist; or
    - (iii) if the settlement price of one or more Relevant Futures Contract(s) is not determined as per (i) or (ii) above, the fair market value of all Relevant Futures Contracts on that fifth Observation Business Day.
- B. Notwithstanding the foregoing, the date on which the value of a Commodity comprised in the Index and the level of Index are determined shall occur not later than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such date.

### III. CONSEQUENCES OF EXTRAORDINARY EVENTS AND ADJUSTMENTS TO INDICES

A. If an Index is:

- (a) not calculated and made public by the relevant Index Sponsor but is calculated and made public by a relevant successor sponsor (the **Successor 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 the Index will be deemed to be the index so calculated and made public by the relevant Successor Sponsor or that successor index (as the case may be).

B. If, in the determination of the Calculation Agent:

- (a) the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula of an Index or in any other way materially modifies an Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in commodities comprised in the Index and capitalisation and other routine events), or
- (b) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels an Index and no successor index exists;

then the Calculation Agent will be entitled to either:

- Y. determine the level of that Index for the relevant Valuation Date or Barrier Date in accordance with the formula and calculation method for that Index last in effect prior to that change, failure or cancellation. The Index so calculated will be used in lieu of the Closing Price made public by the Index Sponsor for the determination of an amount to be paid under the Notes or to determine whether a condition, if any, has occurred or not, or
- Z. replace the Index with a new index to the extent possible, representative of the similar type of commodities comprised in the Index and traded on one or more Exchange(s).

If the Calculation Agent does not make a calculation in accordance with (Y) above and if, in the determination of the Calculation Agent, no index meets the criteria to be an appropriate replacement index in accordance with (Z) above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions.

### PART 4 - HEDGING DISRUPTION, CHANGE IN LAW AND CONSEQUENCES THEREOF

**Change in Law** means, with respect to Notes that have one or more Commodity(ies) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Notes, due to:

- A. the adoption of, or any change in, any applicable law (including without limitation, any Commodity Futures Trading Commission or tax law) or any regulation, rule or procedure of any exchange or principal trading market on which a Commodity or any component thereof is traded (together the **Applicable Regulation**); or

- B. the promulgation of, or any change in the published interpretation by any court, tribunal or regulatory authority with competent jurisdiction or supervisory duty, of any Applicable Regulation (including any action taken by a taxing authority),

the Calculation Agent determines in good faith that:

- Y. it has become illegal or contrary to any Applicable Regulation for Societe Generale or one of its affiliates to (a) hold, acquire or dispose of any Hedge Position (as defined below) or (b) maintain the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or to perform its obligations or exercise its rights thereunder; or
- Z. Societe Generale or one of its affiliates incurs or there is a substantial likelihood that Societe Generale or one of its affiliates will incur increased costs, fees or charges in (a) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position or (b) maintaining any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or performing its obligations thereunder.

**Hedging Disruption** means, with respect to Notes that have one or more Commodity(ies) or one or more Index(ices) as Underlying(s), that, as determined in good faith by the Calculation Agent, Societe Generale or one of its affiliates is unable, after using commercially reasonable efforts, to either:

- A. acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position; or
- B. freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position or any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

For the purpose hereof, **Hedge Position** means one or more position(s) in or contract(s) related to commodities, over-the-counter or exchange-traded commodity derivative transactions, foreign exchange transactions or other instruments or arrangements (howsoever described) necessary to hedge, individually or on a portfolio basis or otherwise, the risks of Societe Generale or one of its affiliates of (a) issuing and performing any of the obligations with respect to the Notes or (b) entering into and performing the obligations under the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

Upon the occurrence, as determined by the Calculation Agent in good faith, of a Hedging Disruption or a Change in Law (the relevant Commodity(ies) as Underlying being the **Affected Underlying**), the Calculation Agent may:

- X. consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case, where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount based on the Market Value as defined in Condition 5(f) of the Terms and Conditions; or
- Y. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

**PART 5 - CALCULATIONS BY THE CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and with respect to Notes to which this Commodities Technical Annex applies, the Calculation Agent responsible for determining the Commodity Reference Price and calculating the Rate of Interest, the Final Redemption Amount, interest payable and the Early Redemption Amount shall be Societe Generale of 17 cours Valmy F 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
  
- B. Following the occurrence of an event giving rise to an adjustment which is substantial in the opinion of the Calculation Agent or of an extraordinary event affecting an Underlying in respect of this Commodities Technical Annex, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders, pursuant to the provisions of Condition 12 in respect of the Terms and Conditions, of the relevant adjustment made or decision taken by the Calculation Agent. Details of such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

## D) CREDIT TECHNICAL ANNEX

Capitalised terms used but not defined in this Part 1 shall have the meanings given to them in Part 2 of this Credit Technical Annex save to the extent it is supplemented or modified in the applicable Final Terms.

In the case of Italian Certificates, all references in this Commodities Technical Annex to “Notes”, “Noteholders”, “Maturity Date”, “Scheduled Maturity Date”, “Early Redemption Amount” and “Final Redemption Amount” shall be deemed to be references to “Italian Certificates”, “Holders”, “Final Exercise Date”, “Scheduled Final Exercise Date”, “Early Exercise Amount”, and “Final Exercise Amount”, respectively.

### PART 1 – CREDIT EVENT PROVISIONS

#### I. PHYSICAL SETTLEMENT

***If the Notes are Single Name Notes or First-to-Default Notes and the Settlement Method specified in the related Final Terms is Physical Settlement***

##### 1. Physical Settlement

- 1.1 If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable, a Notice of Publicly Available Information are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders’ information, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, Deliver or procure Delivery of the Physical Delivery Amount to the Noteholders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be specified in Section III below.

The Delivery of the Specified Deliverable Obligations (or the payment of the Cash Redemption Amount as the case may be) is subject to the prior delivery by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders’ information, of a Notice of Physical Settlement between the Credit Event Determination Date and the Latest Notification Date (both dates inclusive).

- 1.2 Following the occurrence of a Credit Event with respect to a Reference Entity, the Issuer has sole and absolute discretion to select the Specified Deliverable Obligations.
- 1.3 The Issuer will not necessarily Deliver all the Specified Deliverable Obligations on the same date, and may Deliver Specified Deliverable Obligations to different Noteholders on different dates or to the same Noteholder on different dates.
- 1.4 The Issuer is not obliged to Deliver the same type and proportion of Deliverable Obligations to each Noteholder and a Noteholder may receive various types of Deliverable Obligations.
- 1.5 If any or all of the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System, then the Issuer may, at its discretion but upon prior notice to the Noteholders, arrange:
- (i) Delivery of those Specified Deliverable Obligations, if any, that are eligible for clearance by the Relevant Clearing System in the Relevant Clearing System and Delivery of those Specified Deliverable Obligations that are not eligible for clearance by the Relevant Clearing System outside the Relevant Clearing System; or

- (ii) Delivery of all the Specified Deliverable Obligations (whether or not those Specified Deliverable Obligations are eligible for clearance) outside the Relevant Clearing System.

The Relevant Clearing System will then be instructed to block and, upon confirmation by the Issuer that delivery has taken place, cancel the Noteholders' positions in its books and the Agent in turn will cancel the outstanding Notes. If Delivery is to take place outside the Relevant Clearing System, the Issuer must receive the relevant Noteholders' transfer instructions in terms that are satisfactory to the Issuer sufficiently before the Latest Permissible Physical Settlement Date to allow for physical settlement, otherwise the cash settlement provisions set out below will apply.

## **2. Cash Settlement**

- 2.1** If, on the Latest Permissible Physical Settlement Date, the Calculation Agent (acting on behalf of the Issuer) determines that it is Illegal or Impossible for the Issuer to Deliver all or part of the Specified Deliverable Obligations to all or some of the Noteholders or if the Issuer does not receive transfer instructions as described in the last sentence of clause 1.5 above, then the Calculation Agent will calculate in respect of such part of the Specified Deliverable Obligations which are Undeliverable Obligations a Cash Redemption Amount and the Issuer will, on the Cash Redemption Date, pay or procure payment of a Cash Redemption Amount to the relevant Noteholders in final and full satisfaction of its obligations in respect of the Undeliverable Obligations.
- 2.2** The Issuer must notify the relevant Noteholders through the Relevant Clearing System that there are Undeliverable Obligations and the reasons why it is Illegal or Impossible to Deliver such Specified Deliverable Obligations.
- 2.3** If, before the Latest Permissible Physical Settlement Date, the Calculation Agent determines that the Delivery of all of the Specified Deliverable Obligations is Illegal or Impossible; and it deems in good faith that such Delivery is to remain Illegal or Impossible until the Latest Permissible Physical Settlement Date, then the Calculation Agent may give notice thereof to the Relevant Clearing System for the attention of the Noteholders. The Credit Valuation Date will then be the date that is two Business Days after the date on which the Calculation Agent delivers such notice to the Relevant Clearing System, and the Issuer will pay the Noteholders a Cash Redemption Amount on the Cash Redemption Date in full and final satisfaction of its obligations in respect of the Undeliverable Obligations.
- 2.4** If Delivery is partially Illegal or Impossible, the Issuer may, for each Noteholder, Deliver Specified Deliverable Obligations and pay a Cash Redemption Amount. The Issuer is not obliged to ensure that each Noteholder receives the same type and proportion of Deliverable Obligations and the same proportion of Deliverable Obligations and Cash Redemption Amount as each other Noteholder.
- 2.5** If clause 2.1 or clause 2.3 of this Part 1 applies, the Issuer may arrange that all settlements hereunder be made outside the Relevant Clearing System in the manner described in clause 1.5 above provided that the Issuer receives transfer instructions in terms that are satisfactory to the Issuer to allow for such settlements.
- 2.6** The Calculation Agent will inform the Noteholders via the Relevant Clearing System of the Cash Redemption Amount by sending a Final Valuation Notice.

## II. CASH SETTLEMENT

### ***If the Settlement Method specified in the related Final Terms is Cash Settlement:***

1. If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable, a Notice of Publicly Available Information are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Noteholders, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, pay or procure payment of the Cash Redemption Amount on the Cash Redemption Date (subject as specified in clause 2 below) and (ii) the Interest Period(s) and or the Interest Calculation Amount shall be specified in Section III below. The Selected Obligations, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Noteholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.
2. In the case of Basket Notes or Tranche Notes, if an Unsettled Credit Event has occurred, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.
3. For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

## III. PROVISIONS RELATING TO INTEREST

Interest Period means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

### **1. Single Name Notes and First-to-Default Notes**

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date, and the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (b) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such

Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (c) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in the case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.
- (d) *If (i) the Accrual of Interest upon Credit Event option specified is No Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date.

Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in the case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (e) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, and the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (f) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event, (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in*

*the related Final Terms and (iii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (g) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms as No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

*Only if European Settlement is specified in the related Final Terms:*

- (h) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The last Interest Period will end on, but exclude, the Scheduled Maturity Date and the interest shall accrue in respect of each Interest Period on the Aggregate Nominal Amount.

## **2. Basket Notes and Tranche Notes**

In the case of Basket Notes and Tranche Notes, the last (or if there is only one, the only) Interest Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date and the Interest Calculation Amount will be as specified below.

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be calculated on the fourth Business Day preceding the relevant Interest Payment Date and be an amount equal to (i) the sum, for each day of such Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in such Interest Period.
- (b) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the relevant Interest Payment Date.
- (c) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Interest Payment Date equal to (i) the sum, for each day of the Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in the Interest Period.

- (d) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the Interest Payment Date.

*Only if European Settlement is specified in the related Final Terms:*

- (e) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The Interest Calculation Amount will be the Daily Interest Calculation Amount as at the Issue Date.

For the avoidance of doubt, except in the case of a Guaranteed Coupon, if a Notice of Pending Credit Event is delivered to the Noteholders, payment of interest on the Notes, or, in the case of Basket Notes or Tranche Notes, on the portion of the Interest Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (i) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Basket Notes or Tranche Notes, the Scheduled Maturity Date or the Maturity Date, as the case may be; or
- (ii) the date that is 10 Business Days following the publication of a DC No Credit Event Announcement;
- (iii) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 110 Business Days following the Credit Event Resolution Request Date (all as defined in Part 2 *Definitions* below).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer may deduct from the Cash Redemption Amount or the Physical Delivery Amount, as the case may be, the amount of overpaid interest; and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Amounts for the period of the deferral.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes (all as defined in Part 2 *Definitions* below), the provisions relating to interest will be specified in the related Final Terms.

#### **IV. CREDIT EVENT NOTICE AFTER RESTRUCTURING**

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms:

##### **(1) Single Name Notes and First-to-Default Notes**

*If American Settlement is specified in the related Final Terms:*

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the Partial Redemption Amount) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section I or Section II to this Part 1 shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount);

- (b) for the avoidance of doubt (i) the Nominal Amount of each such Note not so redeemed in part shall remain outstanding and, if applicable, interest shall accrue on the Nominal Amount outstanding of such Note as provided in the related Final Terms (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of Section I or Section II to this Part 1 shall apply to such Nominal Amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and
- (c) on redemption of part of each Note the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Note in respect of which no Credit Event Notice has been delivered during the Notice Delivery Period (and, if applicable, no Potential Repudiation/Moratorium or Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date), will be redeemed on the Scheduled Maturity Date.

*If European Settlement is specified in the related Final Terms:*

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the “**Partial Redemption Amount**”) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section I or Section II to this Part 1 shall apply to the Partial Redemption Amount; and
- (b) for the avoidance of doubt the provisions of Section I or Section II to this Part 1 shall apply to the Nominal Amount of each Note outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

## **(2) Basket Notes and Tranche Notes**

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the “**Partial Restructuring Notional Amount**”) that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Section II to this Part 1 shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and
- (b) for the avoidance of doubt, following such Restructuring, the provisions of this Credit Technical Annex shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Notional Amount being reduced by the Partial Restructuring Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

## **V. MULTIPLE SUCCESSORS**

*If the Notes are Single Name Notes and if Multiple Successor is specified as Applicable in the related Final Terms the following shall apply:*

Where, pursuant to the definition of “**Successor**” (see Part 2 of this Credit Technical Annex), more than one Successor has been identified, each such Successor (a “**Multiple Successor**”) shall be a Reference Entity for the purposes of the Conditions, but only in respect of a principal amount of each Note equal to the Nominal Amount divided by the number of Multiple Successors to such Reference

Entity (the “**Multiple Successor Notional Amount**”) as determined by the Calculation Agent. Where Multiple Successors to such Reference Entity (each, a “**Sub-Multiple Successor**”) have been identified in respect of a Reference Entity (an “**Original Multiple Successor**”) that is itself a Multiple Successor, each such Sub-Multiple Successor shall be a Reference Entity for the purposes of the Conditions, but the Multiple Successor Notional Amount in respect of a Sub-Multiple Successor shall be equal to the Multiple Successor Notional Amount in respect of such Original Multiple Successor divided by the number of Sub-Multiple Successors to such Original Multiple Successor. Following the delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information, in respect of a Multiple Successor, the Notes will not be redeemed in whole but an amount shall be deliverable or, as the case may be, payable in respect of each Note (an “**Instalment Amount**”) which amount shall be determined in the same manner, *mutatis mutandis*, as the Physical Delivery Amount or Cash Redemption Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Note equal to the relevant Multiple Successor Notional Amount only. The date of delivery or payment, as the case may be, of any such Instalment Amount (an “**Instalment Date**”) shall be determined in the same manner, *mutatis mutandis*, as the Physical Settlement Date or Cash Redemption Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. More than one Instalment Amount may be delivered or payable on the same day in respect of different Multiple Successors, but not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor unless a Restructuring occurs in relation to a Multiple Successor, in which case the provisions of Section IV of this Part 1 will apply in respect of each such Multiple Successor. Upon the determination by the Calculation Agent of the identity of Multiple Successors, the Calculation Agent shall determine the modifications required to be made to the Conditions and any other related documents, to preserve substantially the economic effect for a Noteholder of a holding of the Notes and the Issuer shall use its reasonable endeavours to effect such modifications.

*If American Settlement is specified as Applicable in the related Final Terms:*

Following delivery or payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Note shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, interest on each Note shall accrue on the reduced Nominal Amount of each Note from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information in relation to the original Reference Entity.

*If the Notes are Single Name Notes and if Multiple Successor is specified as Not Applicable in the related Final Terms the following provisions shall apply:*

Should more than one Successor succeed to the Reference Entity and a Credit Event occur in respect of any one of them, the Notes will be early redeemed in whole in accordance with the paragraph “Settlement Method”, as if First-to-Default was specified as Applicable in the related Final Terms.

*Section V of this Part 1 will not apply to First-to-Default Notes, Basket Notes and Tranche Notes.*

## **VI. NOTIFICATION OF POTENTIAL FAILURE TO PAY**

In the case of the occurrence of a Potential Failure to Pay, as determined by the Issuer in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Noteholders as soon as reasonably practical of such occurrence, pursuant to Condition 12 of the Terms and Conditions.

## **VII. PARTIAL REDEMPTION AND FURTHER ISSUES**

Following any partial redemption of the Notes pursuant to Condition 5 of the Terms and Conditions or any further issue pursuant to Condition 14 of the Terms and Conditions, each of the following amounts will be multiplied by the ratio of (i) the number of Notes in circulation after such partial redemption or further issue divided by (ii) the number of Notes in circulation just before such partial redemption or further issue:

- (a) for Single Name Notes and First-to-Default Notes, the Aggregate Nominal Amount;
- (b) for Basket Notes which are not Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount and (iii) the Aggregate Loss Amount;
- (c) for Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount, (iii) the Aggregate Loss Amount, (iv) the Tranche Notional Amount and (v) the Tranche Subordination Amount.

*Legend:*

*\*: delete if the Settlement Method specified in the related Final Terms is Physical Settlement*

*\*\* : delete if the Settlement Method specified in the related Final Terms is Cash Settlement*

## **VIII. HEDGING DISRUPTION, INCREASED COST OF HEDGING – CHANGE IN LAW AND CONSEQUENCES**

### **1 Hedging Disruption, Increased Cost of Hedging**

**Hedging Disruption** means, in respect of Notes that have one or more Reference Entity, that, as determined in good faith by the Calculation Agent, Société Générale or one of its affiliates is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of entering into and performing its obligations with respect to the Notes or any agreement entered into with the Issuer of the Notes in relation to the Notes; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the Notes.

**Increased Cost of Hedging** means, in respect of Notes that have one or more Reference Entity, that Société Générale or one of its affiliates would incur a materially increased (as compared with circumstances existing on the date(s) on which Société Générale enters into the Hedge Positions in respect of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk of entering into and performing its obligations with respect to the Notes or any agreement entered into with the Issuer of the Notes in relation to the Notes or (b) freely realize, recover or remit the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the Notes.

### **2 Change in Law**

**Change in Law** means in respect of Notes that have one or more Reference Entity that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for Société Générale or one of its affiliates to hold, acquire or dispose of Hedge Positions (as defined in Part 1-VIII.3 below) or to maintain the agreement entered into with Société Générale or one of its affiliates by the Issuer of the Notes.

### 3 Consequences

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fifth Business Day before the Maturity Date of a Hedging Disruption, an Increased Cost of Hedging or Change in Law, then the Calculation Agent may decide, either:

consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 5 of the Terms and Conditions of the Notes; or

if the Hedging Disruption, Increase Cost of Hedging and/or Change in Law is related to one or several affected Reference Entities (the **Affected Reference Entity(ies)**), replace the Affected Reference Entity(ies) by a new reference entity (or new reference entities, as relevant) which is (respectively are each) a Similar Reference Entity ; or

apply the Monetisation to the Maturity Date.

Following the occurrence of an Hedging Disruption, an Increased Cost of Hedging or Change in Law, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions of the relevant adjustment made or decision taken by the Calculation Agent. Details on any adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

### 4 Monetisation to the Maturity Date

The Issuer will no longer be liable for any payment, on the Maturity Date or any Interest Payment Date , but instead will, in full and final satisfaction of its obligations:

- A. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded) ; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- B. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum

Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that the Calculation Agent would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of this difference a minus b, each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Calculation Agent as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

**Associated Costs** means an amount determined by the Calculation Agent in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Calculation Agent in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned pro rata amongst the Specified Denomination of each outstanding Note.

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period,

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360.

**Full Liquidation Date** means, the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the liabilities of such Hedge Positions, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Calculation Agent.

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Calculation Agent, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the Notes.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted in the Specified Currency, the rate of exchange of the currency in which such amount is denominated into the Specified Currency as determined by the Calculation Agent used to convert such amount on such date into the Specified Currency.

**Similar Reference Entity** means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

## PART 2 – DEFINITIONS

**Accreted Amount** means, with respect to an Accreting Obligation, an amount, determined by the Calculation Agent, to be equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in paragraph (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\*\* applicable Credit Valuation Date[, as the case may be]\*. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then for purposes of paragraph (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\* applicable Credit Valuation Date [, as the case may be]\*. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such

additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, **outstanding principal balance** means the Accreted Amount thereof.

**Additional LPN** means any bond issued in the form of a loan participation note (an **LPN**) by an entity (the **LPN Issuer**) for the sole purpose of providing funds for the LPN Issuer to (A) finance a loan to the Reference Entity (the **Underlying Loan**); or (B) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **Underlying Finance Instrument**); provided that, (i) either (a) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (b) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Deliverable Obligation Characteristics or Selected Obligations Characteristics (as applicable): Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

**Additional Obligation** means each of the obligations listed as an Additional Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Issue Date, which list is currently available at <http://www.markit.com/marketing/services.php>.

**Affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, **control** of any entity or person means ownership of a majority of the voting power of the entity or person.

**Aggregate Loss Amount** means at any time:

- (a) for a Basket Note that is not a Tranche Note, the aggregate of the Loss Amount in respect of each Reference Entity; or
- (b) for a Tranche Note, the lowest of:
  - (i) the Tranche Notional Amount; and
  - (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities and (xy) the Tranche Subordination Amount.

**Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Auction Method** means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined pursuant to the relevant Transaction Auction Settlement Terms.

**Bankruptcy** means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgement 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 (B) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) (inclusive) of this definition of Bankruptcy.

**Basket Note** means a Credit Linked Note indexed on several Reference Entities.

**Best Available Information** means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination of the relevant Successor(s), other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination of the relevant Successor(s).

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

**Bond** means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

**Bond or Loan** means any obligation that is either a Bond or a Loan.

**Borrowed Money** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**Business Day** means, the days specified in the related Final Terms [and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]\*\*.

**Calculation Agent** means Société Générale. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders in the absence of manifest error.

**Cash Redemption Amount** means:

(a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

In respect of each Note for which physical settlement is partially or totally Illegal or Impossible, an amount equal to the sum of each Cash Redemption Amount per Undeliverable Obligation; or

(b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

(i) In respect of Single Name Notes and First-to-Default Notes, an amount equal to the product of the Final Value multiplied by the Nominal Amount of each Note; or

(ii) In respect of Basket Notes and Tranche Notes, an amount equal for each Note to the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount as at the Maturity Date.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes, the provisions relating to the Cash Redemption Amount will be specified in the related Final Terms.

**Cash Redemption Amount per Undeliverable Obligation** means, in respect of one Note and an Undeliverable Obligation, the product of (i) the outstanding principal balance of such Undeliverable Obligation and (ii) the final price of such Undeliverable Obligation determined in accordance with Quotation Dealers Method (save as provided below), divided by the number of Notes in respect of which there are such Undeliverable Obligation.

For the avoidance of doubt, where Illegal or Impossible means the inability to purchase the Specified Deliverable Obligations despite the Issuer's reasonable efforts, the final price of the Undeliverable Obligation will be determined in accordance with Auction Method. If no Transaction Auction Settlement Terms are published on or prior to the Credit Valuation Date, such final price will be deemed to be zero.

**Cash Redemption Date** means:

- (a) *If American Settlement is specified in the related Final Terms:*

The day that is four Business Days following the Final Valuation Notice Receipt Date, or in relation to Basket Notes and to Tranche Notes, following the last Final Valuation Notice Receipt Date.

- (b) *If European Settlement is specified in the related Final Terms:*

The later of (a) the Scheduled Maturity Date and (b) the day that is four Business Days following the Final Valuation Notice Receipt Date, or in the case of Basket Notes and Tranche Notes, following the last Final Valuation Notice Receipt Date.

**Conditionally Transferable Obligation** means:

- (a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the cash settlement provisions described in Part 1 of this Credit Technical Annex shall apply.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Physical Settlement Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

- (b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

a Selected Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Selected Obligation other than Bonds, provided, however, that a Selected Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Selected Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Selected Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Selected Obligation provide that such consent may not

be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Selected Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Selected Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

For purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the day on which the Final Value for the Selected Obligation is determined by the Calculation Agent, taking into account only the terms of the Selected Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Consent Required Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Convertible Obligation** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**Credit Derivatives Determinations Committee** means the committee established by ISDA for purposes of reaching certain DC Resolutions (as defined in the Rules) (including but not limited to the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with Credit Derivative Transactions, as more fully described in the Rules.

**Credit Event** means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the First Credit Event Occurrence Date up to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy(ies), Failure(s) to Pay, Obligation(s) Acceleration, Obligation(s) Default, Repudiation/Moratorium or Restructuring, as specified in the related Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

A Credit Event need not be continuing on the Credit Event Determination Date.

**Credit Event Determination Date** means, in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the earlier of (a) the Credit Event Resolution Request Date and (b) the day on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are delivered to the Relevant Clearing System and/ or the Noteholders.

**Credit Event Notice** means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders informing the Noteholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Credit Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve (as defined in the Rules):

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions (as defined in the Rules).

**Credit Valuation Date** means:

- (a) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Fixed Recovery in the related Final Terms:*

The date on which the Credit Event Notice is delivered to the Relevant Clearing System for the information of the Noteholders.

- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

The date that is two Business Days after the Latest Permissible Physical Settlement Date, subject, as the case may be, to clause 2.3 of Part 1 Section I of this Credit Technical Annex. PROVIDED THAT if the Calculation Agent is unable to determine the final price of the Undeliverable Obligation on the Credit Valuation Date (the "**Original Credit Valuation Date**"), the Credit Valuation Date will be such later date, within the fifteen (15) Business Days' period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine such final price.

- (c) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Floating Recovery in the related Final Terms:*

- (i) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or
- (ii) If no Transaction Auction Settlement Terms are published before 140 Business Days after the Credit Event Determination Date, or if the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own

discretion a date that is on or before the 160th Business Day following the Credit Event Determination Date (the “**Original Credit Valuation Date**”),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the fifteen Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

**Daily Interest Calculation Amount** means, in respect of any day during an Interest Period:

- (a) *If the Notes are Basket Notes (which are not Tranche Notes) Interest Recovery will be Fixed Interest Recovery unless otherwise specified in the related Final Terms:*

the sum of (a) the product of (i) the Interest Recovery Rate and (ii) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to such day and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (b) *If the Notes are Basket Notes (which are not Tranche Notes) and if Interest Recovery is specified as Floating Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable in the related Final Terms (unless Fixed Interest Recovery is specified in the related Final Terms) or where N-to-M-to-Default is specified as Applicable and Floating Interest Recovery is specified in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Interest that would have been payable if the Loss Amount had been determined on such date and the Interest actually paid shall be payable following the determination of such Loss Amount and paid either on the first Interest Payment Date after the fourth Business Day following the Credit Valuation Date, or if, such determination occurs after the last Interest Payment Date, on the fourth Business Day following the Credit Valuation Date.

- (c) *If the Notes are Tranche Notes and if Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus an amount equal to the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event has occurred was deemed to be equal to the Interest Recovery Rate.

**DC No Credit Event Announcement** means with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**Default Requirement** means, unless specified otherwise in the related Final Terms, USD 10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event.

**Deliver** means to deliver, novate, transfer (including in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Specified Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Specified Deliverable Obligations to the relevant Noteholder or Noteholders free and clear of any and all liens, charges, claims and encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in subparagraphs (b)(i) to (v) of the definition of Deliverable Obligation below) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**Deliverable Obligation** means, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or (the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (a) the Reference Obligation(s) (if any);
- (b) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (iii) is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:
  - (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Deliverable Obligations;
  - (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Deliverable Obligations, however described;
  - (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (c) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii)

is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraphs (b)(i) to (iv) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(d) any other obligation of a Reference Entity specified as such in the related Final Terms.

(i) *If the Notes described in the related Final Terms are denominated in Euros:*

Where a Specified Deliverable Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the mean price as displayed on Reuters Page ECB37 as of London 12:00 pm on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(ii) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(iii) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Deliverable Obligation Category** means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In the case of Reference Obligation Only, no Deliverable Obligation Characteristics shall be applicable.

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent,

Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

**Domestic Currency** means the currency specified as such in the related Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

**Downstream Affiliate** means an entity, whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 percent owned, directly or indirectly, by the Reference Entity.

**Due and Payable Amount** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the [Physical Settlement Date]\*\*[Credit Valuation Date]\*, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts). When used in connection with Qualifying Guarantees, the term Due and Payable Amount is to be interpreted to be the then Due and Payable Amount of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Eligible Transferee** means each of the following:

- (i) (A) any bank or other financial institution; (B) an insurance or reinsurance company; (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (iii) (A) below); and (D) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (ii) an Affiliate of an entity specified in the preceding paragraph (i);
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; (B) that has total assets of at least USD 500,000,000; or (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii) (B) or (iv) of this definition; and
- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

**Enabling Obligation** means an outstanding [Deliverable]\*\* [Selected]\* Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled

Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

**Equity Securities** means (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time and (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, **outstanding principal balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Exercise Cut-off Date** means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or such Credit Event is a Restructuring but neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms), either:
  - (i) the Relevant City Business Day (as defined in the Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
  - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms, and:
  - (i) the relevant Credit Derivatives Determination Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List (as defined in the Rules) applicable to such Transaction Auction Settlement Terms in accordance with the Rules; or
  - (ii) a No Auction Announcement Date occurs, the date that is 21 calendar days following such No Auction Announcement Date.

**Extension Date** means the fourth Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the Credit Event Resolution Request Date.

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment

Requirement under one or more Obligation(s), in accordance with the terms of such Obligations at the time of such failure.

**Final Price** means, in respect of a [Selected]\* [Undeliverable]\*\*Obligation, a quotation (expressed as a percentage) of such [Selected]\* [Undeliverable]\*\* Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. London time or 11.00 a.m. New York time, as the case may be. To such end:

- (i) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (iii) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Final Price will be such Weighted Average Quotation.
- (v) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

**Final Valuation Notice** means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (a) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*
  - (i) except if the Final Value is specified as Fixed Recovery in the related Final Terms or if the Final Value is specified as Floating Recovery and Auction Method is applicable in the related Final Terms, the Selected Obligations (with an outstanding principal balance, excluding accrued interest, equal to the Aggregate Nominal Amount);
  - (ii) the Cash Redemption Amount; and
  - (iii) the Cash Redemption Date.
- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement and provisions of Clause 2 (Cash Settlement) of Section I apply:*

the Cash Redemption Amount per Undeliverable Obligation (if any).

**Final Valuation Notice Receipt Date** means the day (such day being expected to be no later than the 7<sup>th</sup> Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the Final Valuation Notice on behalf of the Issuer to the Relevant Clearing Systems, for the information of the Noteholders.

**Final Value** means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

(a) *If Final Value is specified as Fixed Recovery in the related Final Terms:*

The percentage specified as such in the related Final Terms; or

(b) *If Final Value is specified as Floating Recovery in the related Final Terms:*

(i) If Auction Method is specified as applicable in the related Final Terms and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the status of the Reference Obligation (subordinated or senior or any other applicable status as the case may be); or

(ii) If (i) Auction Method is specified in the related Final Terms but no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date or (ii) Quotation Dealers Method is specified in the related Final Terms, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

(y) the Final Price if there is only one Selected Obligation; or

(x) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

**First Credit Event Occurrence Date** is the date specified as such in the related Final Terms.

**First Ranking Interest** means a charge, security interest (or other type of interest having similar effect) (an **LPN Interest**), which is expressed as being “first ranking”, “first priority”, or similar (**First Ranking**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

**First-to-Default Note** means a Credit Linked Note indexed on two or more Reference Entities and in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity.

**First-to-Default Reference Entity** means the first Reference Entity in respect of which a Credit Event occurs and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, have been sent in accordance with the provisions of Part 1 of this Credit Technical Annex. If First-to-Default is specified as Applicable in the related Final Terms, the definitions of Obligation or [Deliverable Obligation]\*\* [Selected Obligation]\* shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

**Full Quotation** means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount. It is understood that a Full Quotation shall be based, with respect to any Accreting Obligation on the Accreted Amount thereof.

**Fully Transferable Obligation** means a [Deliverable]\*\* [Selected]\* Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any [Deliverable]\*\* [Selected]\* Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a [Deliverable]\*\* [Selected]\* Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a [Deliverable]\*\* [Selected]\* Obligation shall not be considered to be a requirement for consent for purposes of this definition.

For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the [Physical Settlement Date]\*\* [Credit Valuation Date]\* for the [Deliverable]\*\* [Selected]\* Obligation, taking into account only the terms of the [Deliverable]\*\* [Selected]\* Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

**Governmental Authority** means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**Grace Period** means:

- (i) subject to paragraphs (ii) and (iii), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified as Applicable in the related Final Terms, a Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms)), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms)), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days or such other period specified in the related Final Terms; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as Applicable in the related Final Terms, such deemed Grace Period shall expire no later than the Last Credit Event Occurrence Date.

**Grace Period Business Day** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as Applicable in the related Final Terms and (b) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean

Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is specified as Not Applicable in the related Final Terms, Grace Period Extension shall not apply to the Notes.

If (i) Grace Period Extension is specified as Applicable in the related Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date).

**Greenwich Mean Time (GMT)** means the mean solar time at the Greenwich meridian, in Greenwich, London.

**Illegal or Impossible** means, in respect of the Delivery of any Specified Deliverable Obligations, that it is illegal or impossible for the Issuer to Deliver or for a Noteholder to take Delivery of all or part of such Specified Deliverable Obligations because of:

- (i) any legal, contractual or other restrictions or constraints affecting the Delivery of the Specified Deliverable Obligations (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints, the specific terms or conditions of the Specified Deliverable Obligations or failure to obtain the relevant consents, including but not limited to the consent of the Reference Entity and the guarantor (if any) of the Reference Entity or the consent of the applicable borrower in the case of a Specified Deliverable Obligation guaranteed by the Reference Entity); or
- (ii) any event which is beyond the control of the Issuer (including, without limitation, failure of the Relevant Clearing System or the refusal by a Noteholder to take Delivery of any of the Specified Deliverable Obligations), or the inability to purchase the Deliverable Obligations despite the Issuer's reasonable efforts); or
- (iii) any event which is beyond the control of a Noteholder due to its specific situation.

**Interest Calculation Amount** means, in respect of Basket Notes and Tranche Notes, the amount for the purposes of calculating the interest payable under the Notes on any Interest Payment Date determined by the Calculation Agent in accordance with the provisions of Part 1 of this Credit Technical Annex.

For the avoidance of doubt, the interest amount payable under the Notes shall be equal to the Relevant Proportion of the product of (a) the Rate of Interest, (b) the Interest Calculation Amount and (c) the applicable Day Count Fraction.

**Interest Recovery Rate** means:

in respect of Basket Notes which are not Tranche Notes or in respect of Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, zero per cent. unless otherwise specified in the related Final Terms.;or

in respect of Tranche Notes where Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms, the value specified in such Final Terms.

**ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement** means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009, as amended from time to time.

**Last Credit Event Occurrence Date** means the latest of:

- (i) the fourth Business Day immediately preceding the Scheduled Maturity Date;
- (ii) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms:*

the Repudiation/Moratorium Evaluation Date, or, in the case of Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a Repudiation/Moratorium, (b) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (c) the Repudiation/Moratorium Extension Condition is satisfied; and

- *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms:*

the Grace Period Extension Date, or, in the case of Basket Notes and Tranche Notes, the last Grace Period Extension Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a Failure to Pay and (b) the Potential Failure to Pay with respect to such Failure to Pay has occurred on or prior to the to the fourth Business Day immediately preceding the Scheduled Maturity Date.

**Latest Notification Date** means the 30th Business Day following the Exercise Cut-Off Date provided that it will be no later than the 180th Business Day after the Credit Event Determination Date.

**Latest Permissible Physical Settlement Date** means the day that is 60 Business Days after the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System.

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **2.5-year Limitation Date**), five years (the **5-year Limitation Date**), seven and a half years, ten years, twelve and a half years, fifteen years, or twenty years (the **20-year Limitation Date**) as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the related Final Terms specified that it shall be so adjusted in accordance with a specified Business Day Convention.

**Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. Unless otherwise specified in the related Final Terms:

- (i) if the Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category; and
- (ii) if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Loan** means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**Loss Amount** means:

(a) *In respect of Basket Notes and Tranche Notes if N-to-M-to-Default is specified as Not Applicable in the related Final Terms*, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.

(b) *In respect of Tranche Notes if N-to-M-to-Default is specified as Applicable in the related Final Terms*, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:

- which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price.
- which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.
- which has a Ranking strictly higher than M: an amount equal to zero.

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of the Notes each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

**Maturity Date** means:

(a) *If American Settlement is specified in the related Final Terms:*

- (i) the date specified as such in the related Final Terms (the **Scheduled Maturity Date**); or
- (ii) the [Physical Settlement Date]\*\* [Cash Redemption Date]\* if a Credit Event Notice is delivered during the Notice Delivery Period; or
- (iii) the later of
  - (A) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the day that is four Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if:
    - (1) a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
    - (2) the Repudiation/Moratorium Extension Condition is satisfied;

- (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
  - (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and
- (B) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms: the day that is four Business Days following the Grace Period Extension Date, or, in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Grace Period Extension Date if*
- (1) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
  - (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
  - (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.
- (b) *If European Settlement is specified in the related Final Terms:*
- the later of the dates set out in paragraphs (a)(i), (ii) and (iii) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Amounts are paid to the Noteholders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the [Physical Settlement Date]\*\* [Cash Redemption Date]\*.

PROVIDED FURTHER that, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Nominal Amount of Notes not affected by the Unsettled Credit Event and,

- (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or
- (ii) in all other cases, the Maturity Date will be as defined in paragraph (a) and (b) above.

**Maximum Maturity** means an obligation that has a remaining maturity from the [Physical Settlement Date]\*\* [Credit Valuation Date]\* of not greater than the period specified in the related Final Terms.

**Modified Eligible Transferee** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit

Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Modified Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists.

Where "Modified Restructuring Maturity Limitation" and "Conditionally Transferable Obligation" are specified as Applicable in the related Final Terms and where the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (a) on or prior the 2.5-year Limitation Date or (b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as "Standard Emerging European Corporate LPN" or "Emerging European Corporate LPN", Multiple Holder Obligation shall be deemed as Not Applicable with respect to any Reference Obligation (and any Underlying Loan).

**No Auction Announcement Date** means with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms only, no Transaction Auction Settlement Terms will be published but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determination Committee had Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

**Nominal Amount** means the Specified Denomination of one Note as specified in the related Final Terms subject, as the case may be, to the provisions of Part 1 of this Credit Technical Annex.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Not Contingent** means any obligation having as of the [Physical Settlement Date]\*\*[Credit Valuation Date]\* and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent [Deliverable]\*\*[Selected]\* Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]\*\* [Credit Valuation Date]\*.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a [Deliverable]\*\*[Selected]\* Obligation only if the rights referred to in paragraphs (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before [Physical Settlement Date]\*\*[Credit Valuation Date]\*.

**Not Domestic Currency** means any obligation that is payable in any currency other than the Domestic Currency.

**Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

**Not Domestic Law** means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

**Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

**Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the related Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or where, with respect to the Reference Obligation, one or more Successor(s) to the relevant Reference Entity have been identified and any one or more such Successor(s) have not assumed the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligation at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the Not Subordinated Obligation Characteristic or

[Deliverable Obligation Characteristic]\*\* [Selected Obligation Characteristic]\* the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*” this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

**Notice Delivery Period** means the period from and including the Issue Date to and including the Extension Date.

**Notice of Pending Credit Event** means a notice delivered, on a date which is expected to be no later than 10 Business Days following the relevant Credit Event Resolution Request Date, by or on behalf of the Issuer that (a) informs the Noteholders of the occurrence of a Credit Event Resolution Request Date and (b) states that payment of amounts due and payable under the Notes, whether in connection with accrued interest or redemption, shall be suspended (the “**Suspended Amounts**”) pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (a) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Business Days following the Credit Event Resolution Request Date, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Business Days of such publication;
- (b) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, the Suspended Amounts under the Notes shall be paid to the Noteholders within 10 Business Days of such publication;
- (c) if a DC Resolution Resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days of such publication; and
- (d) if no DC Resolution or DC No Credit Event Announcement is published after 100 Business Days following the Credit Event Resolution Request Date, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days.

**Notice of Publicly Available Information** means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains

Publicly Available Information, such as Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Notice of Physical Settlement** means an irrevocable notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Noteholders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Noteholders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will, to the extent possible, give the Noteholders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement (the term Specified Deliverable Obligation is deemed to include such change).

**Obligation** means:

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the related Final Terms and having each of the Obligation Characteristics, if any, specified in the related Final Terms, in each case, as of the date of the event which constitute the Credit Event which is the subject of the Credit Event Notice;
- (ii) the Reference Obligation(s) (if any); and
- (iii) any other obligation of a Reference Entity specified as such in the related Final Terms.

**Obligation Acceleration** means one or more Obligation(s) in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligation(s).

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

**Obligation Characteristics** means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance, as specified in the related Final Terms.

**Obligation Currency** means the currency or currencies in which an Obligation is denominated.

**Obligation Default** means one or more Obligation(s) in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligation(s).

**outstanding principal balance** when used in connection with Qualifying Guarantees, the term outstanding principal balance is to be interpreted to be the then outstanding principal balance of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Parallel Auction Settlement Terms** means, following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms (as specified in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as set forth in the relevant Transaction Auction

Settlement Terms) applicable to the Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

**Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**Payment Requirement** means, unless specified otherwise in the related Final Terms, USD 1,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permitted Currency** means (A) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership) or (B) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Physical Delivery Amount** means, for each Note, Specified Deliverable Obligations with an outstanding principal balance, excluding accrued interest, equal to the Nominal Amount or, if applicable, the Partial Redemption Amount in the case of the occurrence of a Restructuring (see Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (see Section IV of Part 1 of this Credit Technical Annex). If the number of Specified Deliverable Obligations that the Issuer can Deliver is not an integer then, in respect of each Note, the Physical Delivery Amount will include, in addition to the Specified Deliverable Obligations that can be Delivered, the market value in cash, excluding accrued interest, of Specified Deliverable Obligations with an outstanding principal balance equal to the difference between the Nominal Amount or, if applicable, the Partial Redemption Amount in the case of the occurrence of a Restructuring (See Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (See Section IV of Part 1 of this Credit Technical Annex) and the outstanding principal balance of the Specified Deliverable Obligations that can be Delivered, as determined by the Calculation Agent.

**Physical Settlement Date** means the date on which the Issuer Delivers the Physical Delivery Amount to the Noteholders, or, if the Issuer does not Deliver on the same date all the portfolio of Deliverable Obligations comprised in the Physical Delivery Amount, the date on which the Issuer has completed the Delivery thereof for all the Notes to all the Noteholders.

**Physical Settlement Period** means the period from and including the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System to and including the Latest Permissible Physical Settlement Date.

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligation(s), without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

**Preliminary Cash Redemption Amount** means, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event has occurred, an amount payable on the Scheduled Maturity Date calculated for each Note as an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

**Publicly Available Information** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice, has occurred and which:

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (ii) is information received from or published by:
  - (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or
  - (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or
- (iii) is information contained in any petition or filing instituting a proceeding against or by the Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Reference Entity (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief of the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (v) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.

In relation to any information of the type described in (ii), (iii) and (iv) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality or such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period, or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (i) of Bankruptcy.

**Public Source** means each source of Publicly Available Information specified in the related Final Terms (or if a source is not specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). [The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.]\*\*

In the event that an Obligation or [Deliverable]\*\* [Selected]\* Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of the application of the Obligation Category or [Deliverable]\*\* [Selected]\* Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (b) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity and Not Bearer.
- (d) For the purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Quotation Amount** means:

- (a) *If Physical Delivery is specified in the related Final Terms:*  
an amount equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, of the Undeliverable Obligation.
- (b) *If Cash Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance of the Notes, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be a weighted amount in respect of each Selected Obligation, the sum of all such Quotation Amounts being equal to the outstanding principal balance of the Notes.

**Quotation Dealers** means at least five leading dealers in obligations of the type of the Undeliverable Obligation(s) or as the case may be Selected Obligation(s), which may include Société Générale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

**Quotation Dealers Method** means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

**Ranking** means, for Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

**Reference Entity** means any entity specified in the related Final Terms or any Successor thereto.

**Reference Entity Notional Amount** means for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

**Reference Entity Weighting** means the percentage specified as such in the Final Terms, which, upon the occurrence of a Succession Event will be adjusted in accordance with the provisions the definition of Successor.

**Reference Obligation(s)** means the reference obligation(s) specified in the related Final Terms, or any Substitute Reference Obligation(s) provided that, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as being "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each, a "Markit Published LPN Reference Obligation"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", notwithstanding anything to the contrary in this Credit Technical Annex (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Deliverable Obligation or a Selected Obligation, (as applicable).

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Reference Portfolio** means, in respect of First-to-Default Notes, Basket Notes and Tranche Notes, a portfolio comprising all the Reference Entities.

**Reference Portfolio Notional Amount** means the amount specified in the related Final Terms.

**Reference Price** means 100% unless otherwise specified in the related Final Terms.

**Relevant Clearing System** means Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream, Luxembourg**), Euroclear Bank S.A./N.V. (**Euroclear**) or any other clearance system for the Deliverable Obligations as designated by Euroclear or Clearstream, Luxembourg and/or Monte Titoli S.p.A. (**Monte Titoli**).

**Relevant Obligations** mean the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of Best Available Information. If the date on which Best available Information becomes available or is filed precedes the legally effective date of the relevant succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**Relevant Proportion** means the proportion which one Note bears to the total number of Notes outstanding.

**Repudiation/Moratorium** means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligation(s) in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto or de jure*, with respect to one or more Obligation(s) in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, (i) the Obligations to which such Potential Repudiation/Moratorium relates includes Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date).

**Repudiation/Moratorium Extension Condition** means a condition that is satisfied

- (a) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, or

- (b) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as Applicable in the related Final Terms, Notice of Publicly Available Information by or on behalf of the Issuer to the Noteholders that is effective on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Residual Cash Redemption Amount** means, in relation to Basket Notes and Tranche Notes with respect to which one or more Unsettled Credit Event(s) has(have) occurred, an amount payable on the Maturity Date representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means that:

- (a) with respect to one or more Obligation(s) and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following event(s) occur(s) in a form that bind(s) all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the First Credit Event Occurrence Date and the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;

- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above none of the following will constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to any Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of subparagraphs (a) and (b) above and, unless Multiple Holder is specified as Not Applicable in the related Final Terms, subparagraph (d) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (b) above shall continue to refer to a Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as Not Applicable in the related Final Terms, then, notwithstanding anything to the contrary in paragraphs (a), (b) and (c) above, the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Restructuring Date** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation and Fully Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (a) (i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Retained Amount** means, in relation to Basket Notes or Tranche Notes in respect of which one or more Unsettled Credit Event(s) has(have) occurred, the lower of:

- (a) The difference between the Aggregate Nominal Amount and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (b) Either:
  - (i) In respect of Basket Notes, the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
  - (ii) In respect of Tranche Notes, the amount by which the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date.

**Rules** mean the Credit Derivatives Credit Derivatives Determinations Committees Rules published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**Selected Obligation(s)** means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the Definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation

shall not be considered a procedural requirement and (iii) that is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
  - (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
  - (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Selected Obligation that (i) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (ii)(a)-(d) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance of the Notes (excluding accrued interest), or Due and Payable Amount, as applicable apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (iv) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (a) *If the Notes described in the related Final Terms are denominated in Euros:*

Where a Selected Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the mean price as displayed on Reuters Page ECB37 as of London 12:00 pm on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (b) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

Where a Selected Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (c) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Selected Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Selected Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In the case of Reference Obligations Only, no Selected Obligation Characteristics shall be applicable.

**Selected Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Selected Obligation Characteristics, the Selected Obligation may include any Loan that satisfies any one of such Selected Obligation Characteristics specified and need not satisfy all such Selected Obligation Characteristics. For the purposes of applying the Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Settlement Method** means either Physical Settlement (see Section I of Part 1 of this Credit Technical Annex) or Cash Settlement (see Section II of Part 1 of this Credit Technical Annex) as specified in the related Final Terms.

**Single Name Note** means a Credit Linked Note indexed on one Reference Entity.

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

**Sovereign Restructured Selected Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics after such Restructuring.

**Specified Currency** means, for the purpose of the Credit Technical Annex, an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the

euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies** ).

**Specified Deliverable Obligation(s)** means Deliverable Obligations of the Reference Entity or First-to-Default Reference Entity as specified in the Notice of Physical Settlement (subject to the definition of such term).

**Specified Number** means the number of Public Sources specified in the related Final Terms (of if a number is not specified, two).

**Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

**Substitute Reference Obligation(s)** means one or more Obligation(s) of the Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligation(s), identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligation(s) to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the Notes and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee). Upon notice to the Noteholders, the Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

The Calculation Agent will (in its absolute discretion) make such adjustments to the terms of the Notes that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the Notes.

**succeed** means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

**Succession Event** means

- (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (b) with respect to a Reference Entity that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

**Succession Event Backstop Date** means the date that is 120 calendar days prior to the Issue Date of the relevant Notes.

**Succession Event Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Succession Event that occurred on or after the Succession Event Backstop Date. A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

**Successor** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any determined as set forth below:
  - (i) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
  - (ii) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the

entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

- (iii) If more than one entity each directly or indirectly succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, divided by the number of Successors.
- (iv) If one or more entity(ies) each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, subject to adjustment of the Reference Entity Weighting, divided by the number of Successors.
- (v) If one or more entity(ies) directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the Notes will not be changed in any way as a result of the Succession Event.
- (vi) If one or more entity(ies) directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

PROVIDED THAT, in the case of Basket Notes and Tranche Notes, if the resulting Successor of a Reference Entity affected by a Succession Event, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the Succession Event, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) and the Reference Entity Weighting of such Successor in effect prior to the Succession Event.

PROVIDED FURTHER THAT, in the case of Basket Notes and Tranche Notes, if two or more Reference Entities are affected by a Succession Event resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) with respect to each Reference Entity in respect of which it is a Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (vi) above, as applicable. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the legally effective date of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such relevant Obligation listed in the Best Available Information.

- (b) With respect to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the date of the occurrence of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. A notice will be sent by or on behalf of the Issuer to the Noteholders evidencing the Succession Event and giving all necessary relevant indications as to the Successor(s), the Multiple Successor Notional Amount (if applicable), the Reference Entity Weighting (if applicable) and the change in Reference Obligation(s).

PROVIDED THAT (for (a) and (b) above), *if N-to-M-to-Default is specified as Applicable in the related Final Terms or in respect of First-to-Default Notes*, the Calculation Agent will adjust the effect of any Succession Event as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and *if N-to-M-to-Default is specified*

as Applicable in the related Final Terms, so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

if the resulting Successor of a Reference Entity (the **Legacy Reference Entity**) affected by a Succession Event is another Reference Entity comprised in the Reference Portfolio (the **Surviving Reference Entity**) at the legally effective date of the Succession Event, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the Succession Event; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the Succession Event and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the Succession Event and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the Succession Event;

and

if a Succession Event would result in more than one Successor (the **Potential Successors**) to a Reference Entity, the Calculation Agent shall select in its sole discretion only one entity (the **Chosen Successor**) among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the Succession Event.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

**Tranche Note** means a Basket Note specified as such in the related Final Terms.

**Tranche Notional Amount** means, in respect of Tranche Notes, the Aggregate Nominal Amount of the Notes on the Issue Date or such other amount specified as such in the related Final Terms.

**Tranche Subordination Amount** means, with respect to Tranche Notes, the amount specified as such in the related Final Terms.

**Transaction Auction Settlement Terms** means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the Rules)

would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the Notes.

**Transaction Type** means in respect of a Reference Entity, the transaction type specified in the Final Terms.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to [Deliverable]\*\*[Selected]\* Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Undeliverable Obligation(s)** means that part of the Specified Deliverable Obligations for which Delivery is Illegal or Impossible.

**Unsettled Credit Event** means, with respect of a Reference Entity, that:

- (a) a Credit Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (b) a Notice of Pending Credit Event is delivered less than 100 Business Days prior to the Scheduled Maturity Date and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date and (ii) if a Credit Event Notice has subsequently been delivered in relation to the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (c) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date; or
- (d) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date.

The occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Cash Redemption amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

**Valuation Hedging Cost** means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

**Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Weighted Average Quotation** means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

## E) MANAGED ASSETS PORTFOLIO TECHNICAL ANNEX

For payments in respect of Structured Notes (whether in respect of principal and/or interest and whether at maturity or otherwise) calculated by reference to a portfolio of assets (basket of funds, single fund or financial instruments underlying an index), the following technical annex (the **Managed Assets Portfolio Technical Annex**) supplements the Base Prospectus.

The specific risks involved in an investment in such Notes are outlined under item "Risk Factors" in the Base Prospectus.

The Managed Assets Portfolio Technical Annex will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

*"The provisions of the Managed Assets Portfolio Technical Annex apply to these Final Terms and such documents shall be read together. In the event of inconsistency between the Managed Assets Portfolio Technical Annex and these Final Terms, these Final Terms will prevail."*

Terms used in this Managed Assets Portfolio Technical Annex, unless specifically defined in this Managed Assets Portfolio Technical Annex, shall have the same meanings as those elsewhere in the Base Prospectus.

### I. GENERAL DEFINITIONS

**Basket** means a synthetic portfolio of assets whose composition is identical to those described below under the definition of Portfolio, provided however that its valuation may be expressed in terms of bare figures or bare percentage rather than by reference to a currency amount; this applies to Basket<sub>i</sub>, Basket<sub>r</sub>, and Basket<sub>t</sub>, which shall mean:

**Basket<sub>i</sub>** = 100 or 100 per cent. or any other figure or percentage specified in the applicable Final Terms;

**Basket<sub>r</sub>** = Basket<sub>i</sub> × (Basket Value per Note on the Final Valuation Date / Basket Value per Note on the Initial Determination Date);

**Basket<sub>t</sub>** = Basket<sub>i</sub> × (Basket Value per Note on the Valuation Date "t" / Basket Value per Note on the Initial Determination Date);

otherwise, all references herein to Portfolio, Portfolio Value and Portfolio Value per Note shall be deemed to be references to Basket, Basket Value and Basket Value per Note respectively; for the avoidance of doubt, all references herein to Portfolio<sub>i</sub>, Portfolio<sub>r</sub> and Portfolio<sub>t</sub> shall also be deemed to be references to Basket<sub>i</sub>, Basket<sub>r</sub> and Basket<sub>t</sub> except for aforementioned.

**Borrowed Capital** means the aggregate nominal amount of the borrowings entered into in respect of the leverage feature of the Portfolio, reflected by the fact that the Risky Asset Exposure exceeds 100 per cent.

**Business Day** means the days specified as such in the applicable Final Terms.

**Calculation Agent** means the agent specified in the applicable Final Terms responsible for calculating the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount, as applicable, and making any other determinations it is designated as responsible for herein. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent, the Portfolio Manager and the Noteholders, in absence of manifest error or proven error.

**Cash** means any cash, short term deposits, zero coupon bonds, synthetic zero coupon bonds, commercial paper, murabaha contracts and/or any other negotiable money market instruments.

**Disruption Event** means any event beyond the Calculation Agent's control, preventing the Calculation Agent from determining the Portfolio Value, including but not limited to, a breakdown in the means of communication employed in determining the Portfolio Value, the non publication or suspension of the calculation of the Net Asset Value per Unit of any Fund or any event whatsoever, including the liquidation of any Fund, which prevents the communication of such Net Asset Value as such calculation or communication is deemed to be made in accordance with the relevant Fund Prospectus.

**Final Valuation Date** means, unless otherwise specified in the applicable Final Terms, the tenth Business Day before the Maturity Date, provided that if such Business Day is not a Valuation Date, the Final Valuation Date will be the immediately following Valuation Date, provided further that, if none of the Business Days which follow up to and including the fifth Business Day before the Maturity Date is a Valuation Date, the fifth Business Day before the Maturity Date will be deemed to be the Final Valuation Date and the relevant valuation shall be made on this date by the Calculation Agent acting in good faith, on the basis of estimated value of each relevant Risky Asset and or Non Risky Asset and or Cash components when an official value is not disclosed.

**Fund** means any Risky Fund or Non Risky Fund.

**Fund Prospectus** means, in respect of a Fund, the document describing such Fund and providing, *inter alia*, for the subscription and redemption process in respect of Units of such Fund and rights attached to such Units, as such document may be supplemented and amended from time to time and available, free of charge, at the office of the Agent in Luxembourg.

**Hedging Counterparty**: means any entity which holds the Units of the Fund(s) for the purpose of any hedging arrangement entered into in respect of the Notes and, if any, in relation with the portfolio management of the underlying Assets of the Notes.

**Initial Determination Date** means the date on which the initial composition / structure of the Portfolio is determined; unless otherwise specified in the applicable Final Terms, such date shall be the Issue Date of the Notes.

**Maximum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the maximum allocation of the Portfolio into Risky Asset.

**Minimum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the minimum allocation of the Portfolio into Risky Asset.

**Net Asset Value** means, in respect of any Fund, the net asset value of such Fund as calculated from time to time by the manager of such Fund or entity appointed by such Fund to that effect or as otherwise estimated by the Calculation Agent in good faith as provided in the definitions of Asset 1 or Asset 2.

**Nominal Amount** means the Specified Denomination of each Note set out in the applicable Final Terms.

**Non Risky Asset** means the Non Risky Fund(s), the Cash and the Other Instruments (if any) related to them.

**Non Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, money market instruments and/or bonds, as selected by the Portfolio Manager.

**Notes Outstanding** means, on any date, the Notes outstanding held on such date by all Noteholders, or, for the purpose of the definition of Portfolio Value per Note, by all Noteholders other than the Hedging Counterparty or any other entity specified in the applicable Final Terms, if any.

**Other Instruments** means any future, swap, cap, floor and/or option transactions or other derivative transactions entered into in relation to either the Risky Asset or the Non Risky Asset.

**Performance Objective** means the periodic and/or final performance which is targeted on a best efforts basis by the Portfolio Manager, expressed as a percentage or as a rate plus a spread, provided that in no event is any assurance or guarantee given that the Performance Objective will be achieved at any time including at the Maturity Date.

**Portfolio** means a portfolio of assets comprising (i) a selection of Risky Funds, a single Risky Fund or such other type of risky asset(s) specified in the applicable Final Terms constituting, together with the Other Instruments (if any) related to them, the **Risky Asset** and, if any, (ii) the Non Risky Fund(s) and the Cash constituting, together with the Other Instruments (if any) related to them, the **Non Risky Asset**. Where applicable, any Borrowed Capital shall form part of the Portfolio provided that, as liabilities, it shall come in deduction from the aforementioned assets. The Portfolio allocation amongst the components of the Risky Asset applicable on the Initial Determination Date shall be specified in the applicable Final Terms; such specification may be only indicative.

The Portfolio may be managed and allocated by the Portfolio Manager in different manners as detailed below (unless otherwise specified in the applicable Final Terms):

(a) Portfolio Management

- (i) If **Dynamic Selection** is specified in the applicable Final Terms the Portfolio Manager will manage the Risky Asset in its absolute discretion without limitation to the number and/or the weighting of the components in the Risky Asset; it may, in particular, remove any component from the Risky Asset or add one or more new component(s) therein. Specific rules, guidelines or constraints on or in relation to the Portfolio Management's authority or discretion to manage the Risky Asset may be provided for in the applicable Final Terms.
- (ii) If **Permanent Selection** is specified in the applicable Final Terms, the Portfolio Manager is not authorised to remove or add components from or to the Risky Asset provided however that (i) the respective weightings of the components of the Risky Asset may be modified by the Portfolio Manager and (ii) the Portfolio Manager and/or the Calculation Agent, acting in good faith, may make adjustments to the Risky Asset following the occurrence of an Extraordinary Event.

(b) Portfolio Allocation

In allocating the Portfolio amongst the relevant components the Portfolio Manager will take into account (i) variations in the performance of the Risky Asset and (ii) the specific market conditions. The Portfolio Manager may permit the exposure of the Portfolio to the Risky Asset (the **Risky Asset Exposure** being Risky Asset Value / Portfolio Value) to vary from the Minimum Exposure (0 per cent. means that the Portfolio is exclusively invested in the Non Risky Asset) to the Maximum Exposure (100 per cent. or more means that the Portfolio is exclusively invested in the Risky Asset). For the avoidance of doubt, a Risky Asset Exposure exceeding 100 per cent. reflects the leverage feature of the investment in the Portfolio (Risky Asset in the Portfolio partly financed by borrowings).

- (i) If **Portfolio Allocation** is specified in the applicable Final Terms, the Portfolio Manager will allocate the Portfolio amongst the relevant components on a dynamic basis in accordance with the methodology known as the DPI ("Dynamic Portfolio

Insurance”) methodology or the CPPI (“Constant Portfolio Proportion Insurance”) methodology or the ODPI (“Objective Driven Portfolio Insurance”) methodology (or any other similar methodology as specified and described in the applicable Final Terms) with a view to achieving (i) a capital protection feature for the Notes and/or (ii) a participation in the growth of the value of the assets comprised in the Portfolio and/or (iii) a Performance Objective in the case of the ODPI methodology.

(ii) If **DPI Basket Allocation** is specified in the applicable Final Terms, it shall mean that allocation amongst the relevant components of the Basket will be managed on a dynamic basis in accordance with the methodology known as the DPI or the CPPI methodology but making use of some arbitrary parameters that will not allow any capital protection, as follows:

- the Portfolio Manager will periodically make observation of the difference (such difference being the **Cushion**) between (i) the Basket Value per Note on a given date t and (ii) the Reference Level (expressed as a percentage) on the same date multiplied by the Basket Value per Note on the Initial Determination Date
- the Portfolio Manager may determine, at its absolute discretion, a range within which the ratio of the Risky Asset Value per Note to the Cushion (such ratio being the **Multiplier**) should remain. If the Portfolio Manager observes that the Multiplier has deviated from such targeted range it may adjust the allocation of components within the Basket by increasing or decreasing (as appropriate) the allocation of the Risky Asset in the Basket such that the Multiplier falls within the targeted range, subject to the Maximum Exposure and Minimum Exposure. Alternatively the Multiplier may be a pre-determined fixed factor which generates a norm of Risky Asset Value (or Risky Asset Exposure) on the basis of current level of the Cushion. Adjustment of the Basket allocation is made only if the actual figures diverge from the norm by more than a specified percentage; where such alternative applies a Fixed Multiplier and a Specified Percentage in respect of the Risky Asset Exposure shall be specified in the applicable Final Terms.

(iii) If **Volatility Cap Basket Allocation** is specified in the applicable Final Terms, the Portfolio Manager will dynamically manage the allocation of the Basket according to the Volatility Cap methodology as set below.

**Volatility Re-Balancing:** the Portfolio Manager will determine the level of the Basket Volatility on each Business Day t (the **Basket Volatility(t)**) in accordance with the formula below. If the Basket Volatility<sub>(t)</sub> exceeds the Volatility Cap Level or is below the Volatility Floor Level, then the Portfolio Manager will proceed with a re-balancing of the Basket by increasing/decreasing the exposure to the Non Risky Asset and by decreasing/increasing the exposure to the Risky Asset in order to reach the Volatility Reset Level.

The target weights of the 2 components within the Basket on a Business Day t are defined as follows:

**Risky Asset Target Weight (t) =**

Max[Minimum Exposure; Min (Maximum Exposure; Risky Asset Target Weight (t-1) × Volatility Reset Level / Basket Volatility(t))]

**Non Risky Asset Target Weight(t) = 1 - Risky Asset Target Weight(t)**

where **t-1** is the first Business Day before the date t

On the Initial Determination Date (t=0) Risky Asset Target Weight (t-1) = Maximum Exposure.

The re-balancing of the Basket will be made within 3 (or 5) Business Days of such date t, on a best efforts basis, and subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

Once a new allocation between the Risky Asset and the Non Risky Asset is determined, it will remain constant unless the Basket Volatility leads to a re-balancing in accordance with these allocation rules.

Each of the **Volatility Cap Level**, the **Volatility Floor Level** and the **Volatility Reset Level** is the relevant percentage as specified in the applicable Final Terms.

**Basket Volatility (t)** means, on each Business Day t, the Annualised Standard Deviation of the Daily Return of the Risky Asset multiplied by the Risky Asset Target Weight (t-1). The Basket Volatility will be determined for the first time on the Initial Determination Date, subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

**Annualised Standard Deviation:**

$$\sigma = \sqrt{260 \times \frac{1}{n-1} \sum_{i=0}^{19} R_{t-i}^2}$$

where:

**n** is the number of Business Days in the Rolling Period.

**R<sub>t-i</sub>** is the Daily Return of the Risky Asset on Business Day t-i of the Rolling Period.

**i** designates the numerical order (from 0 to 19) of the Business Days within a Rolling Period.

**Rolling Period** means a 20 Business Days period starting on each Business Day occurring from and including the twenty first Business Day preceding the Initial Determination Date or any other period as may be specified in the applicable Final Terms.

**Daily Return of the Risky Asset** means, on each Business Day t, the difference between the Risky Asset Value on such Business Day and the Risky Asset Value on the preceding Business Day, divided by the Risky Asset Value on such preceding Business Day.

PROVIDED THAT (i) if “**One to One**” is specified in the applicable Final Terms, the Notes will simply be indexed on the constituent(s) of the Risky Asset without any management or allocation strategy being implemented (unless otherwise specified in the applicable Final Terms), (ii) if “**Leverage Strategy**” is specified in the applicable Final Terms, the Portfolio will consist exclusively in the Risky Asset and **Borrowed Capital** and will remain permanently exposed to such Risky Asset with generally no other management or allocation strategy than the periodical resetting of the Risky Asset Exposure at a specified level (the “**Target Exposure Level**”) and (iii) if “**Specific Strategy**” is specified in the applicable Final Terms, the Portfolio shall be managed and allocated in accordance with the specific rules detailed in such Final Terms.

PROVIDED FURTHER THAT in all cases the Risky Asset remains subject to the adjustment provisions set out in section 4 below.

**Portfolio<sub>i</sub>** means the Portfolio Value per Note on the Initial Determination Date being an amount in the Specified Currency equal to a fixed percentage of the Nominal Amount as specified in the applicable Final Terms. Portfolio<sub>i</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and / or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>f</sub>** means the Portfolio Value per Note on the Final Valuation Date as determined by the Calculation Agent. Portfolio<sub>f</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio<sub>t</sub>** means the Portfolio Value per Note on any Valuation Date “t” as determined by the Calculation Agent. Portfolio<sub>t</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and /or any other underlying Risky Asset.

**Portfolio Manager** means the entity specified as such in the applicable Final Terms, being the agent responsible for managing and allocating the Portfolio amongst the relevant components; in such capacity, the Portfolio Manager will act in the best interest of the Noteholders pursuant to a Portfolio Management Deed. Should there be no Portfolio Manager specified in any applicable Final Terms, then the Calculation Agent shall assume and carry out the tasks and functions of a Portfolio Manager described herein, which tasks and functions would not imply any active management in that particular case.

**Portfolio Management Deed** means any portfolio management deed entered into by the Portfolio Manager.

**Portfolio Value** means, on any Valuation Date, the difference between (i) the sum of Asset 1, Asset 2, Asset 3 and Asset 4 and (ii) the sum of the Borrowed Capital, the Accrued Management Fees, the Accrued Borrowing Costs, the Structuring Fees and the Other Fees and Other Cost (if specified as “Applicable” in the applicable Final Terms), applied to the Aggregate Nominal Amount of the Notes.

**Portfolio Value per Note** means, on any Valuation Date, the Portfolio Value on such date divided by the number of Notes Outstanding on such date.

**Reference Level** means, in the context of the Basket Allocation and as specified in the applicable Final Terms, a percentage increasing from an initial level on the Initial Determination Date to a final level on the Final Valuation Date. The Reference Level is intended to be used as a management tool by the Portfolio Manager.

**Risky Asset** means a selection of Risky Funds or a single Risky Fund or any other risky asset specified in the applicable Final Terms and the Other Instruments (if any) related to them.

**Risky Asset Exposure** means the ratio (expressed as a percentage) between the Risky Asset Value and the Portfolio Value.

**Risky Asset Value** means, on any Valuation Date, the sum of Asset 1 and the market value of the related Other Instruments on such Valuation Date, provided that for consistency reason such value may be calculated per Note.

**Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, diversified assets containing a risky feature, as selected by the Portfolio Manager.

**Unit** means a unit or share of the relevant Fund (collectively the **Units**).

**Valuation Date** means a day on which the Portfolio Value is calculated by the Calculation Agent and shall include the Final Valuation Date and any other dates specified as such in the applicable Final Terms.

## II. DEFINITIONS OF ASSETS

**Asset 1** means, in respect of any Valuation Date “t”, depending on the underlying Risky Asset:

- If the underlying Risky Asset is in whole or in part composed of a selection of “n” Risky Funds, the sum of the products, in respect of each Risky Fund “i” in the Portfolio, of (i) the relevant Net Asset Value per Unit and (ii) the relevant number of Units of such Risky Fund “i” in the Portfolio on such Valuation Date “t”, as calculated in accordance with the following formula:

$$\sum_{i=1}^n (Nr_{(i)t} \times NAVr_{(i)t})$$

where:

**Nr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio on such Valuation Date “t”;

**NAVr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable to the such Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, or if the Units redemption orders are not executed at the official Net Asset Value, the Calculation Agent may determine its good faith estimate of NAVr<sub>(i)t</sub>;

and/or

- If the underlying Risky Asset is in whole or in part composed of a single Risky Fund, the product of the Net Asset Value per Unit and the number of Units of the Risky Fund in the Portfolio on such Valuation Date “t” calculated in accordance with the following formula: Nrt × NAVrt (see definitions immediately above);

and/or

- If the underlying Risky Asset is in whole or in part composed of an official equity index or any other type of index or composite risky asset, the market value on such Valuation Date “t” of the financial instruments (such as but not limited to, futures, trackers, swaps and treasury instruments) representing the investment value in the relevant underlying as calculated by the Calculation Agent on the basis of an appropriate valuation method it shall select in good faith.

**Asset 2** means, in respect of any Valuation Date “t”, the aggregate Net Asset Value of the Units of the Non Risky Funds in the Portfolio calculated in accordance with the following formula:

$$\sum_i (Nm_{(i)t} \times NAVm_{(i)t})$$

where:

**Nm<sub>(i)t</sub>** means, in relation to a Non Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio at such Valuation Date “t”;

**NAV<sub>m(i)t</sub>** means, in relation to a Non Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable in relation to such Non Risky Fund “i” PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, the Calculation Agent shall determine its good faith estimate of NAV<sub>m(i)t</sub>.

**Asset 3** means, in respect of any Valuation Date, the sum of the market values of the Other Instruments allocated in the Portfolio, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on such Valuation Date.

**Asset 4** means, in respect of any Valuation Date, the sum of the market values of the components of the Cash allocated in the Portfolio as part of the Non Risky Asset, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on this Valuation Date.

### III. DEFINITIONS OF THE FEES AND COSTS

**Accrued Management Fees** means, in respect of any Valuation Date “t”, the sum of the fees linked to the management of the Portfolio underlying the Notes (“Fees(i)”) accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”, determined by the Calculation Agent, in accordance with the following formula:

$$\text{Accrued Management Fees}_t = \sum_{i=t-n}^t \text{Fees}_{(i)}$$

With:

$$\text{Fees}_{(i)} = F \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1;i)}{365}$$

where:

“F” means the percentage specified as such in the applicable Final Terms.

“Portfolio Value<sub>(i-1)</sub>” is the Portfolio Value on the Valuation Date “i-1”.

“N<sub>(i-1;i)</sub>” means the actual number of calendar days between the two successive Valuation Dates “i-1” and “i”, the first one included and the second one excluded.

“n” means the number of Valuation Dates between the latest “payment date” (inclusive) and the Valuation Date “t” (exclusive).

“payment date” means, in respect of any accrued management fees or borrowing costs, the date of payment of such management fees or such borrowing costs.

**Accrued Borrowing Costs** means, on any Valuation Date “t”, the sum of the borrowing costs borne by the Portfolio accrued - between two successive Valuation Dates (designated as “i-1” and “i” - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”; it shall be calculated as follows:

$$\text{Accrued Borrowing Costs}_t = \sum_{i=t-n}^t \text{BC}_{(i)}$$

where:

$$\text{BC}_{(i)} = \left[ (\text{Rate} + \text{Margin}) \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1;i)}{360} \right] \times \text{Max} \left( \text{RAE}_{(i-1)} - 100\%; 0 \right)$$

where:

“Rate” means, as specified in the applicable Final Terms, LIBOR (1M,i-1) determined according to the Specified Currency mentioned in such Final Terms; for instance:

- “USD-LIBOR(1M,i-1)” means the rate of deposits in USD for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page LIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent; and
- “EURIBOR(1M,i-1)” means the rate of deposits in EUR for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page EURIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent.

“Margin” means the margin specified in the applicable Final Terms. Margin may change from time to time according to market conditions.

“RAE<sub>(i-1)</sub>” means the Risky Asset Exposure on Valuation Date “i-1”

“n” and “payment date” as defined above.

**Structuring Fees** means the structuring fees borne by the Portfolio on the Initial Determination Date and determined by the Calculation Agent in accordance with the following formula:

Aggregate Nominal Amount × SF

where:

**SF** means the percentage specified as such in the applicable Final Terms.

**Other Fees** and **Other Cost** means any other fees or other cost as may be specified in the applicable Final Terms.

#### IV. ADJUSTMENTS AND EXTRAORDINARY EVENTS

In taking any action pursuant to the provisions below the Calculation Agent and the Portfolio Manager shall act in good faith and in the best interests of the Noteholders.

##### In relation to any Risky Fund / Unit

*The events listed from (a) to (o) below apply where “Permanent Selection” is specified in the Final Terms, the same applies except paragraphs (a), (c), (f) and (k) where “One to One” is specified in the Final Terms and only paragraphs (b), (d), (e) and (l) apply where “Dynamic Selection” is specified in the Final Terms; in addition in such later case (Dynamic Selection specified) the consequences listed under (i) and (ii) do not apply.*

In the event of the occurrence of any of the following events (each an Extraordinary Event):

- (a) a closure, for any reason, of any subscriptions in the Fund;
- (b) a material or substantial modification of the conditions of the Fund (including, without limitation, a change in the currency, strategies, objectives, guidelines and/or investment policies of the Fund), a modification of the Fund Prospectus or any event or any change affecting the Fund and/or the Units (including, without limitation, interruption, breakdown, suspension or deferral of the calculation or of the publication of the net asset value of the Units, or the disappearance of the net asset value of the Units resulting more particularly from, but not limited to, the winding-up or the termination of the Fund or the cancellation of the registration or of the

- approval by any relevant authority of the Fund) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, is likely to have a significant effect on the value of the Units;
- (c) a substantial modification in the proportion of the type of assets in which the Fund may invest, as determined in good faith by the Calculation Agent and/or the Portfolio Manager, which would not necessarily lead to a modification of the Fund Prospectus, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on any hedging arrangement to be entered in respect of the Notes;
  - (d) a reduction for any reason (including but not limited to the reduction of the Aggregate Nominal Amount of the Outstanding Notes to an amount below €1,000,000 or its equivalent in the Specified Currency) of the number of Units held or likely to be held by the Hedging Counterparty or any of its affiliates, as holder of Units of the Fund for hedging or management purposes;
  - (e) a non execution or partial execution, or a suspension by the Fund for any reason of a subscription or redemption order given by the Hedging Counterparty or any of its affiliates, for hedging or management purposes;
  - (f) an increase after the Issue Date of the commissions or any taxes in respect of a purchase or redemption of Units or any change in the taxation adversely affecting any payment made by the Fund to the holder of the Units of the Fund, and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on any hedging arrangement entered into in respect of the Notes;
  - (g) an increase in the holding by the Hedging Counterparty or any of its affiliates of up to 20 per cent. (unless otherwise specified in the applicable Final Terms) in the underlying Fund or a reduction of the Fund's total net assets below €25,000,000 (unless otherwise specified in the applicable Final Terms) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
  - (h) a conversion of the Units into another class of Units or securities or the subdivision, consolidation, merger, sale or other conveyance of all or substantially all the assets of the Fund, to a third party;
  - (i) a capital or extraordinary distribution in cash which does not constitute the normal dividend policy of the Fund;
  - (j) a reduction of the Fund's total net assets by an amount which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
  - (k) the existence, as determined by the Calculation Agent, of any irregularity in the calculation of the Net Asset Value per Unit where the value resulting from such calculation differs from the level at which Units may be purchased or redeemed;
  - (l) any other similar event, which in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the conditions of any hedging arrangements entered into in respect of the Notes;
  - (m) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the manager and/or the trustee/custodian of the Fund, or any of the same becomes subject to bankruptcy or regulatory proceedings;

- (n) a cancellation, suspension, or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund;
- (o) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the Portfolio Manager;

the Calculation Agent, after the consultation of the Portfolio Manager (if any), may:

- (i) make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub> as the Portfolio Manager considers appropriate and for the purpose of subparagraph (h) only, replace the Units by the kind and number of units or other securities and property receivable on such conversion, subdivision, consolidation, merger, sale or conveyance by a holder of Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Units and make any adjustment (if necessary) to the value of such Units and/or to the terms of the Notes; or
- (ii) substitute the Fund, in whole or in part, with a new underlying asset with similar economic characteristics, or incorporate an additional underlying risky asset in the Portfolio, and make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub>, and to the terms of the Notes if necessary; provided that any partial substitution and any incorporation of additional risky asset may only be made by the entity appointed as Portfolio Manager as specified in the applicable Final Terms and not by the Calculation Agent; or
- (iii) consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). If an Early Redemption Event occurs, the Notes shall no longer be linked to the performance of the Risky Asset and the Issuer's obligations under the Notes shall be terminated and the Issuer shall pay or cause to be paid an Early Redemption Amount as if it were a redemption for taxation reasons or an Event of Default on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and/or the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

#### **In relation to an underlying equity index**

Upon the occurrence of any event affecting an underlying equity index as detailed in Part 1 of the Equity Technical Annex, the Calculation Agent may in its sole discretion decide to make any adjustment to the underlying equity index or the Notes as set in Part 2 of the Equity Technical Annex to the Prospectus; however in the event that the underlying equity index ceases to be quoted or calculated, the Calculation Agent may decide in its sole discretion either, to substitute the underlying equity index for another index having similar characteristics or to redeem the Notes at their market value as calculated on the basis of the last published quotation of the underlying equity index and in accordance with provision "Early Redemption" set below.

The Early Redemption Amount payable upon the occurrence of an event affecting the underlying equity index as mentioned above will be paid or caused to be paid to the Noteholders as if it were a redemption for taxation reason or an Event of Default on the basis of Market Value as defined in Condition 5(f) of the Terms and Conditions, provided that the Early Redemption Amount will, as the

case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

#### **Calculations – Calculation Agent**

The Calculation Agent shall notify the Issuer, which shall in its turn notify the Agent and the Noteholders pursuant to the provisions of Condition 12 of the Terms and Conditions, of (a) of any adjustments which are substantial in the opinion of the Calculation Agent, and (b) upon the occurrence of an extraordinary event listed in this Managed Assets Portfolio Technical Annex, of any modification of the composition of the Underlying and/or of Market Value of the Notes payable in respect thereof together with the calculation details if necessary.

The Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount and in respect of Notes to which this Managed Assets Portfolio Technical Annex applies shall be specified in the applicable Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.

**F) NON EQUITY SECURITY TECHNICAL ANNEX**

**PART 1 – DEFINITIONS**

**Non Equity Security** means a note or a certificate or a bond or a warrant or any other security other than a share, an index, a share or a fund unit, or a share of an investment company or an American depositary receipt or a credit risk, the name of which appears in the applicable Final Terms and subject to adjustments pursuant to the provisions of Part 2 “*Events and adjustments*”.

**Valuation Date** means any date specified as such in the applicable Final Terms.

**PART 2 – EVENTS AND ADJUSTMENTS**

- (a) In the case of the occurrence at any time on or prior to the last Valuation Date of the material or substantial modifications of the conditions of the Non Equity Security (such as but not limited to modification of the legal documentation related thereto) or any event or any change affecting the Non Equity Security (such as but not limited to definitive interruption of quotation of the Non Equity Security or termination of the obligations of the Issuer of the Non Equity Security under the Non Equity Security for any reason) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Non Equity Security, then, the Calculation Agent may:
- (i) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
  - (ii) substitute the Non Equity Security with a new underlying asset; or
  - (iii) consider such event as an event triggering the termination of the Notes (a **Termination Event**).
- (b) If a Termination Event occurs in respect of the Non Equity Security on or before the Maturity Date, then, the Calculation Agent shall determine, in good faith, the fair market value of the Notes and the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Termination Event, the amount determined by the Calculation Agent in respect of each Note.

**PART 3 – CALCULATIONS – CALCULATION AGENT - PHYSICAL DELIVERY**

The provisions of Part 3 of the Equity Technical Annex shall apply *mutatis mutandis* to Notes to which this Non Equity Security Technical Annex applies as specified in the applicable Final Terms.

**G) DEFINITIONS RELATING TO FORMULAS**

+	means that the item preceding this sign is added to the item following this sign.
-	means that the item following this sign is deducted from the item preceding this sign.
/	means that the item preceding this sign is divided by the item following this sign.
x or *	means that the item preceding this sign will be multiplied by the item following this sign.
>	means that the item preceding this sign is strictly greater than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly higher than the item following this sign for the condition to be met. E.g. "If $X > Y$ then,..." means that X must be strictly greater than Y for the condition to be met.
<	means that the item preceding this sign is strictly lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly lower than the item following this sign for the condition to be met. E.g. "If $X < Y$ then,..." means that X must be strictly lower than Y for the condition to be met.
$\geq$	means that the item preceding this sign is equal to or higher than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or greater than the item following this sign for the condition to be met. E.g. "If $X \geq Y$ then,..." means that X must be equal to or greater than Y for the condition to be met.
$\leq$	means that the item preceding this sign is equal to or lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or lower than the item following this sign for the condition to be met. E.g. "If $X \leq Y$ then,..." means that X must be equal to or lower than Y for the condition to be met.
i, j or k	means in respect of the item to which it applies which can be without limitation a date (e.g. "Valuation Date (i)"), an underlying (e.g. "Share (i)") or a combination of underlyings (e.g. "Basket (i)") or a figure obtained pursuant to a formula (e.g. "Coupon (i)"), the designation of such item within a countable list, with the use of the variable i, j or k.
i from X to Y	means that within the countable list of the designated item to which i applies (as defined above), only the items with a

rank between X and Y both included (X and Y are numbers) are considered.

**i from X to Y and ≠ i0**

by extension the item ranked i0 is excluded from the above list.

$i^k$

means, when an item is designated in a list by 2 variables, the designation of such item in the list. e.g. "Share $i^k$ " with Valuation Date (k) means Share(i) on the Valuation Date(k).

**Min [X;Y]**

means that the considered value is the lowest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the lowest of these two positive values (e.g. Min [3;2] 2 will be retained). If X is positive and Y negative, Y will be the value retained by application of this formula (e.g. Min [3; -2], -2 will be retained) . If X is negative and Y positive, X will be the value retained by application of this formula (e.g. Min [-3;2], -3 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the greatest negative value (e.g. Min [-3; -2], -3 will be retained). If X is positive and Y equal to 0 (e.g. Min [3; 0], Y = 0 will be retained) and if X is negative and Y equal to 0 (e.g. Min [-3; 0], X = -3 will be retained). The same rule applies, if more than two values are considered.

**Max [X;Y]**

means that the considered value is the highest value between the values of the two numbers X and Y. If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the highest of these two positive values (e.g. Max [3;2], 3 will be retained). If X is positive and Y negative, X will be the value retained by application of this formula (e.g. Max [3; -2], 3 will be retained). If X is negative and Y positive, Y will be the value retained by application of this formula (e.g. Max [-3;2], 2 will be retained). If both X and Y are negative values, the value retained by application of this formula will be the least negative value (e.g. Min [-3; -2], -2 will be retained). If X is positive and Y equal to 0 (e.g. Max [3; 0], X = 3 will be retained) and if X is negative and Y equal to 0 (e.g. Max [-3;0], Y = 0 will be retained). The same rule applies, if more than two values are considered.

**Min<sub>i from X to Y</sub>**

means that the considered value of the item to which it applies, will be the lowest of the different values that such item can take determined pursuant to the rules of Min above, when its rank in the list varies from X to Y. e.g. Min<sub>i from 1 to 5</sub> Share(i) means that the relevant value to be considered is the lowest value amongst the 5 values that Share(i) takes.

**Max<sub>i from X to Y</sub>**

means that the considered value of the item to which it

applies, will be the greatest of the different values that such item can take determined pursuant to the rules of Max above when its rank in the list varies from X to Y. e.g.  $\text{Min}_{i \text{ from } 1 \text{ to } 5} \text{Share}(i)$  means that the relevant value to be considered is the greatest value amongst the 5 values that Share(i) takes.

$$\sum_{n=1}^X \text{ or } \text{Sum}_{n \text{ from } 1 \text{ to } X}$$

means, for the item to which it applies, the sum of the X values that the item will take.

$$\text{E.g. } \sum_{n=1}^{10} \text{Basket}(n)$$

means the sum of the 10 values that Basket (n) takes when n varies from 1 to 10.

$$\frac{1}{X} \times \sum_{n=1}^X$$

means for the item to which it applies, the arithmetic average of the values that the item will take.

$$\text{E.g. } \frac{1}{10} \times \sum_{n=1}^{10} \text{Basket}(n)$$

means the arithmetic average of the 10 values that Basket (n) takes.

**|X|** or **Abs (X)** or **absolute value of X**

means that even if X has a negative value this negative value will be disregarded. E.g.  $|-10|$  means that the value to be retained is 10.

**$x^n$**

means that the value to be considered is the result of X multiplied by itself "n-1" times. E.g.  $2^5$  means  $2 \times 2 \times 2 \times 2 \times 2$  (i.e. 2 multiplied by itself 4 times) = 32.

**$\sqrt{X}$  or the square root of X**

means that the value to be considered is the number which when multiplied by itself gives X. E.g.  $\sqrt{9} = 3$  since  $3 \times 3 = 9$ .

$$\prod_{n=1}^x$$

means, for the item to which it applies, the product of the x values that the item will take.

$$\text{E.g. } \prod_{n=1}^3 (n + 1)$$

$$(1 + 1)(2 + 1)(3 + 1) = 2 \times 3 \times 4 = 24$$

**"a power b"**

means the exponential function of b with base a.

**$\text{LN}(x) = \ln(x) = \text{Ln}(x)$**

means logarithm to the base e of x, for example  $\text{LN}(2) = 0.69315$ .

**INT(x)** means the function which gives the integer part of the number x (rounded down to the closest integer number), for example  $\text{INT}(2.3) = 2$ ,  $\text{INT}(1.6) = 1$ ,  $\text{INT}(-1.4) = -2$ ,  $\text{INT}(-4.6) = -5$ .

**IND(condition)** means the characteristic function of the condition which is equal to 1 if the condition is satisfied and which is equal to 0 if the condition is not satisfied, for example :

S(0): closing value of the Underlying on Valuation Date(0)

S(1): closing value of the Underlying on Valuation Date(1)

if  $S(0) > S(1)$ , then  $\text{IND}(S(0) > S(1)) = 1$

if  $S(0) = S(1)$ , then  $\text{IND}(S(0) > S(1)) = 0$

if  $S(0) < S(1)$ , then  $\text{IND}(S(0) > S(1)) = 0$

**H) OTHER DEFINITIONS**

The applicable Final Terms may contain other definitions not specifically referred to in this Technical Annex. The meanings and/or functions of such definitions will be set out in full in the Schedule to the applicable Final Terms.

DESCRIPTION OF THE TRUST AGREEMENT AND THE LIMITATION OF RECOURSE

**A. Trust Agreement**

On 28th February, 2006 the Issuer and the Guarantor have entered into the following trust agreement:

"TRUST AGREEMENT

BETWEEN THE UNDERSIGNED

SOCIETE GENERALE S.A., a French *société anonyme* which is located at 17, cours Valmy, 92972 LA DEFENSE CEDEX, FRANCE, represented by Mr Christophe MIANNE, representing the Equity Derivatives business line in the Capital Markets department and hereinafter referred to as "SG"

AND

SOCIETE GENERALE Effekten GmbH Frankfurt, a subsidiary of SOCIETE GENERALE S.A., which is located at Mainzer Landstr. 36, 60325 Frankfurt / Main, Germany, represented by Mr Guenter HAPP, its managing director (*Geschäftsführer*), and hereinafter referred to as "SGE".

WHEREAS:

SGE is willing to issue or redeem debt instruments (such as, but not limited to, indexed notes, over the counter transactions) linked to shares, baskets of shares, indices, baskets of indices, funds and commodities or futures contracts on the same (the "Securities") on a fiduciary (*treuhänderisch*) basis for the benefit and the account of SG. Now, therefore, SG and SGE (together the Parties) hereby conclude the following Trust Agreement (the "Agreement"):

Article 1 – Scope of the Agreement

SG shall have the unilateral right to determine by way of issuing a separate confirmation (the "Confirmation") that the terms of this Agreement shall apply for the issuance of certain Securities. The Securities in relation to which the Confirmation has been issued shall be referred to hereinafter as the "Notes".

Article 2 - Duties of SGE

Under this Agreement, SGE commits to:

- issue and to redeem Notes on a fiduciary (*treuhänderisch*) basis in SGE's own name (im eigenen Namen) but for the account (*für Rechnung*) of SG;
- collect any proceeds resulting from the issuance of the Notes (*Emissionserlöse*) and to deliver such proceeds forthwith to a bank account to be specified by SG;
- use the funds made available by SG pursuant to Article 3 a) for payments owed under the Notes as and when they fall due and to make such payments on a fiduciary (*treuhänderisch*) basis in SGE's own name (*im eigenen Namen*) but for the account (*für Rechnung*) of SG;

follow any instructions given by SG in relation to all rights of SGE under the Notes, including but not limited to the right of SGE to be substituted as issuer and principal debtor under the Notes.

For the avoidance of doubt, SGE is not allowed to use, manage or invest funds made available to it by SG in any other way than for the purposes as defined in c) above.

Article 3 - Duties of SG

Under this Agreement, SG commits to:

- (a) advance to SGE an amount equal the amount of any payment owed by SGE under the Notes as and when such payment obligation falls due and in a manner that allows SGE to fulfil its payment obligation in a timely manner.
- (b) For the avoidance of doubt, the payment obligations of SGE under the Notes that are relevant for the determination of the advances to be made by SG shall not be limited by the "Limited Recourse" provision as set out in the terms and conditions of such Notes.
- (c) pay to SGE fees as set out in Article 4.

#### Article 4 - Payment of Fees

SGE will be remunerated by a fee, based on the costs incurred by the issuance of Notes as described in the separate "Agreement relating to issuance activity in SG Effekten" dated 1st of July 2005 in its latest version.

#### Article 5 - Term

This Agreement shall come into force with effect from 1st July 2005. It is concluded for an initial term of one year, and thereafter shall be deemed renewed from year to year unless one of the Parties provides notice of termination in writing no later than 15 days prior to the date at which the Agreement is due to be renewed. Shall the Agreement be terminated, the Parties agree to be bound by its terms until all obligations under the Notes have been fully satisfied.

#### Article 6 - Modifications - Prior Agreements

Any modification of this Agreement shall be set forth in a written amendment signed by all the Parties.

#### Article 7 - Applicable law - Jurisdiction

This Agreement shall be governed by the laws of Germany.

All disputes relating to its validity, interpretation or performance shall be submitted to the law courts in Frankfurt with jurisdiction, provided however, that SG and SG alone, in whose favour such attribution of jurisdiction has been granted, shall have the option of bringing such proceedings before any other court with jurisdiction."

### **B. Limitation of Recourse**

Pursuant to Condition 9 of the Terms and Conditions of the Notes, any payment obligations of the Issuer under the Notes are limited to the funds received from the Guarantor under the Trust Agreement. To the extent such funds prove ultimately insufficient to satisfy the claims of all Noteholders in full, then any shortfall arising therefrom will be extinguished and no Noteholder has any further claims against the Issuer, regardless of whether the Issuer would be able to fulfil its payment obligations under the Notes out of its own funds, subject, however, to the right of the Noteholders to exercise any termination or early redemption rights.

**C. Impact of the Trust Agreement and the Limitation of Recourse on the Position of the Issuer vis-à-vis the Noteholders**

As a result of the Trust Agreement, the Issuer's ability to satisfy its payment obligations under the Notes in full is dependent upon it receiving in full the amounts payable to it by the Guarantor under the Trust Agreement. Moreover, since the Terms and Conditions of the Notes provide for a limitation of recourse, this applies irrespective of whether the Issuer would be able to make such payments out of other funds available to it.

Thus, from an economic perspective, the Notes are issued by the Guarantor and not the Issuer, whose role is comparable to that of a special purpose vehicle used for the issue of Notes and the Noteholders directly depend on the credit risk of the Guarantor (see "Risk Factors Issue of the Notes by the Issuer on the account of the Guarantor and Creditworthiness of the Guarantor") rather than that of the Issuer."

GUARANTEE

Société Générale Effekten GmbH  
Neue Mainzer Straße 46 – 50  
60311 Frankfurt am Main

**Guarantee on first demand**

Under its € 30,000,000,000.00 Debt Issuance Programme (the **Programme**), Société Générale Effekten GmbH (the **Issuer**) may issue notes and certificates (the **Debt Securities**) up to a maximum amount of € 30,000,000,000.00 (thirty Billion Euros) or its equivalent in another currency under the base prospectus for notes and certificates dated 19 June 2012 (the "**Debt Issuance Programme Prospectus**") which is in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) implementing the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the **Prospectus Directive**).

Société Générale (the **Guarantor**) hereby unconditionally and irrevocably guarantees, for the benefit of the holders of Debt Securities issued under the Debt Issuance Programme Prospectus between 19 June 2012 and 19 June 2013, the due and punctual payment of any amounts due and payable and/or the due and punctual physical delivery of securities deliverable, under the respective terms and conditions of any Debt Securities issued by the Issuer (the **Indebtedness**) and to the extent that, at the Issue Date of such Debt Securities, the sum of (A) the aggregate nominal amounts of such Debt Securities and (B) all the aggregate nominal amounts of Debt Securities issued by the Issuer and outstanding on such Issue Date, in each case, converted into euro at the relevant spot rate of exchange on such Issue Date, including those issued under previous debt issuance programmes prospectuses (the **Previous Prospectuses**) does not exceed € 30,000,000,000.00 (thirty Billion Euros) (the **Guarantee Limit**).

In the event of any default by the Issuer in the punctual payment and/or physical delivery of securities in respect of all or any part of the Indebtedness, the Guarantor will make any payments and/or physical deliveries of securities, on first demand, provided that:

- the request is made by registered mail with acknowledgment of receipt to the Guarantor attesting (i) that the payment of the claimed amounts and/or the physical delivery of securities is guaranteed hereunder and (ii) the conditions of payment and/or delivery are fulfilled, and (iii) the payment of such claimed amounts and/or physical delivery of such securities has not been made by the Issuer,
- the Guarantor is obliged to pay the claimed amounts and/or to physically deliver the claimed securities, without having the right to raise any objection notably from present or future relationship between the holders of Debt Securities and the Issuer.

Debt Securities issued before the date hereof under the Previous Prospectuses shall continue to have the benefit of the guarantees issued by Société Générale in relation to such Debt Securities.

This Guarantee will come into force on the date hereof and shall expire only after payment/and or delivery in full of any Indebtedness due under the Debt Securities issued by the Issuer.

This Guarantee constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks and will rank *pari passu* with all other existing and future direct, unconditional, unsecured and unsubordinated obligations of the Guarantor, excluding any debts for the time being preferred by law.

In the event of a substitution of the Issuer by a subsidiary of the Guarantor (the **New Issuer**) pursuant to the terms and conditions of any Debt Securities, this Guarantee shall extend to any and all amounts payable by the New Issuer pursuant to the terms and conditions of such Debt Securities.

This Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of France. Any dispute arising out or in connection with its validity, interpretation or performance shall be submitted to the exclusive jurisdiction of *Tribunal de Commerce de Paris*, France.

Paris, 19 June 2012

For and behalf of

**SOCIÉTÉ GÉNÉRALE**

**Name:**

**Title:**

**SG Corporate & Investment Banking**

USE OF PROCEEDS

Pursuant to the Trust Agreement (see the section headed "*Description of the Trust Agreement and the Limitation of recourse*") the Issuer is obliged to collect any proceeds resulting from the issuance of the Notes and to deliver such proceeds forthwith to a bank account to be specified by the Guarantor. The net proceeds from each issue of Notes by the Issuer will be applied by the Guarantor for the general financing purposes of the Société Générale group of companies. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

PREVIOUS EMTN CONDITIONS

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*”.

**B. THE 2006 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 45 to 109) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2006 (the **2006 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**C. THE 2007 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 55 to 186) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 7th May 2007 (the **2007 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**D. THE 2008 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 62 to 203) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 5th May 2008 (the **2008 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**E. THE 2009 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 79 to 239) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 6th May 2009 (the **2009 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**F. THE 2010 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 88 to 287) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 4th May 2010 (the **2010 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**G. THE 2011 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the “Comparative table of documents incorporated by reference” in the section “Documents Incorporated by Reference” for the Form of Final Terms and the Terms and Conditions of the Notes (pages 95 to 357) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 2th March 2011 (the **2011 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

**H. THE FEBRUARY 2012 EMTN CONDITIONS**

Please refer to the information incorporated by way of reference as set out in the "Comparative table of documents incorporated by reference" in the section "Documents Incorporated by Reference" for the Form of Final Terms and the Terms and Conditions of the Notes (pages 98 to 354) of the Debt Issuance Programme Prospectus of Société Générale Effekten GmbH dated 9 February 2012 (the **February 2012 Debt Issuance Programme Prospectus**) which are incorporated by reference into, and form part of, this Base Prospectus.

DESCRIPTION OF SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*” for a description of Société Générale Effekten GmbH.

**B. 2012 Registration Document of Société Générale Effekten GmbH**

The 2012 Registration Document of Société Générale Effekten GmbH dated 8 June 2012 (the **2012 Registration Document of Société Générale Effekten GmbH**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*.

DESCRIPTION OF SOCIÉTÉ GÉNÉRALE

**A. Comparative table of documents incorporated by reference**

Please refer to the information incorporated by way of reference as set out in the “*Comparative tables of documents incorporated by reference*” for a description of Société Générale.

**B. 2012 Registration Document of Société Générale**

The 2012 Registration Document of Société Générale dated 14 June 2012 (the **2012 Registration Document of Société Générale**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin).

## TAXATION

THE FOLLOWING SECTION PROVIDES INFORMATION ON TAXES ON THE INCOME FROM THE NOTES WITHHELD AT SOURCE IN RESPECT OF (I) THE COUNTRY OF THE REGISTERED OFFICE OF THE ISSUER AND (II) THE COUNTRIES WHERE OFFERS OF NOTES MAY BE MADE OR ADMISSION TO TRADING MAY BE SOUGHT. SUCH INFORMATION IS NOT INTENDED TO PROVIDE AN EXHAUSTIVE DESCRIPTION OF THE POTENTIAL TAX ISSUES ASSOCIATED WITH THE NOTES. ACCORDINGLY, ANY INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES SHOULD OBTAIN INDEPENDENT TAX ADVICE ON THE TAXATION IMPLICATIONS FOR IT, IN EACH RELEVANT JURISDICTION, OF PURCHASING, OWNING OR DISPOSING OF ANY NOTE.

The Issuer does not assume liability for the deduction of taxes at the source.

**FEDERAL REPUBLIC OF GERMANY**

*The following discussion of certain German tax consequences of buying, holding or disposing of the Notes is based on tax laws, regulations, decisions, judgments and administrative decrees currently in effect, which may be amended or construed differently, potentially with retroactive or retrospective effect. However, this section does not refer to all possible tax considerations which are relevant to the decision of any potential purchaser with respect to buying, holding or disposing of a Note; in particular, it does not refer to specific circumstances which may be relevant to certain purchasers such as church tax (Kirchensteuer) or individual tax privileges. This means that the following text exclusively refers to Notes as an investment as such (unless expressly indicated otherwise) and does not address any persons in their specific tax situation. The information contained in the following section is not intended as and does not purport to be legal or tax advice.*

**Potential investors in the Notes are therefore advised to consult their own tax advisers as to the German and other tax consequences of buying, holding or disposing of the Notes.**

*As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. If necessary, the prospectus regarding the respective Tranche of Notes will contain more specific but also general information on the possible tax treatment of the respective Notes. Potential investors should therefore always review the respective Final Terms also with respect to additional tax information.*

**German Taxation of Residents**

*Notes held as a Private Asset*

*Taxation of Interest Income*

Under German tax law, payment of interest on the Notes to persons who are tax residents of Germany (including persons whose residence, habitual abode, statutory seat or place of management is located in Germany, a "German Holder") and who held the Note as a private asset is subject to German income tax as capital income in the meaning of § 20 German Income Tax Act. From the year 2009, a final taxation ("Abgeltungsteuer") is charged on capital income at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon, resulting in a total final taxation of 26.375%. Taxable base is the received interest without any deduction of expenses actually incurred. The total capital income of the individual will be deducted by a personal annual exemption ("Sparer-Pauschbetrag") of EUR 801 (EUR 1,602 for married couples filing their tax return jointly). The personal income tax liability regarding the capital income is, in principle, settled by the tax withheld. If no withholding tax was charged on the payment of the interest, the German Holder will have to include this interest income in its tax return. The final taxation will then be charged by way of assessment. The German Holder may also apply for assessment of the capital income based on the general rules if the

personal income tax rate of the German Holder is lower than the final taxation rate. In such assessment, the withholding tax will be credited.

*Withholding Tax on Interest Income*

If the Notes are held in a custodial account maintained by a German Holder with a German branch of a German or foreign bank or financial services institution (a "German Disbursing Agent"), which pays or credits the interest, a 25% withholding tax ("Kapitalertragsteuer") on interest payments, plus a 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon will be levied, resulting in a total withholding tax charge of 26.375% on the gross amount of interest paid. Accrued Interest paid by a German Holder upon the purchase of the Notes may be set-off against the amount of interest income received by such German Holder and, under certain circumstances, may reduce the amount subject to withholding tax.

If the Noteholder is an individual to whom income from the Notes constitutes income from a capital investment and such Noteholder has filed a certificate of exemption ("Freistellungsauftrag") with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent to the extent that the interest income derived from the Notes together with other investment income administered by the German Disbursing Agent does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the Noteholder submits to the German Disbursing Agent a certificate of non-assessment ("Nichtveranlagungsbescheinigung") issued by the competent local tax office.

*Disposal or Redemption of the Notes*

Capital gains resulting from the disposal or redemption of Notes (or, as the case may be, from the payment at maturity of the Notes) realised by individual German Holders holding the Notes as private assets are taxable as capital gains. They are also subject to the final taxation ("Abgeltungsteuer") at an amount of 25% plus 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon, resulting in a total final taxation of 26.375%.

Base for this taxation is the capital gain, which is in general the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. The taxable capital gains from Notes issued in a currency other than Euro also include any currency gains (and losses). In the case of a physical settlement of certain Notes which grant the Issuer or the individual Noteholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment in cash, generally no taxable capital gain may result, because the acquisition costs of the Notes are regarded as acquisition costs of the underlying securities received by the individual Noteholder upon physical settlement. Therefore, only loss can arise from the deduction of directly related expenses.

Capital losses in respect of the Notes held as a private asset may only be set-off against capital income within the same financial year and in subsequent years. However, if losses result from Notes held in a custodial account maintained by a German Disbursing Agent, initially the German Disbursing Agent will take these losses into account when calculating the withholding tax. In case that the losses can not be compensated in the current year the losses will be set off against the income of the subsequent year. Upon request of the German Holder the German Disbursing Agent will provide a certificate of all losses, which could not be set off during the current year within the custodial account. This certificate enables the German Holder to claim a deduction within the assessment of capital income.

*Withholding Tax on Disposal or Redemption of the Notes*

Like the treatment of interest income a withholding tax at an amount of 25%, plus a 5.5% solidarity surcharge ("Solidaritatzuschlag") thereon (in total 26.375%) will be levied on capital gains from disposal or redemption of the Notes, if the Note is held in a custodial account maintained by a German Disbursing Agent. A withholding tax will not be charged if the German Holder has provided a certificate

of exemption ("*Freistellungsauftrag*") or a certificate of non-assessment ("*Nichtveranlagungsbescheinigung*") to the German Disbursing Agent.

Base for this taxation is again the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. However, in case the Notes have not been kept in a custodial account with the same German Disbursing Agent since the time of acquisition, upon the disposal, redemption or repayment the withholding applies to 30% of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EC Council Directive 2003/48/EC. Furthermore, the special provision for a physical settlement of certain Notes applies for purposes of the withholding. Therefore, in principle, redemption accompanied by physical settlement may not result in a withholding tax.

#### *Notes held as Business Assets or by a Corporate Body*

If the Notes are held as business assets or by a corporate body all income received from the Notes (interest as well as capital gains) is subject to German income tax or German corporate income tax. The income from the Notes will be taxed at the German Noteholder's individual tax rate. The income tax or the corporate income tax is not settled by the tax withheld. Withholding tax and the solidarity surcharge thereon might be credited as prepayments against the German Holder's final tax liability for German personal or corporate income tax purposes and the respective solidarity surcharge, or, if in excess of such final tax liability, refunded upon application.

If the Notes are held in a German business establishment for trade tax purposes, interest income derived from the Notes will also be subject to trade tax on income, which is a municipal tax levied whose effective tax rate depends on the trade tax factor applied by the relevant municipality.

The taxation of the investment in the Notes might be calculated on an accruals basis. The income might therefore be taxed before the German Holder receives a payment from the Notes.

In general, withholding tax will be deducted in accordance to the same provisions like the withholding with respect to Notes held as private assets. The withholding tax on capital gains might not apply under certain circumstances and for certain capital income if the Notes are held by a tax resident corporate or if the Notes are held by a individual or by a partnership as part of the business assets as far as the German Holder provides the German Disbursing Agent with a certificate of the character of the Notes as business assets.

#### **German Taxation of Non-Residents**

Income derived from the Notes by persons who are not tax residents of Germany ("Non-German Holders") is in general exempt from German income or corporate income taxation, and no withholding tax shall be withheld (even if the Notes are held with a German Disbursing Agent), provided (i) the Notes are not held as business assets of a German permanent establishment of the Non-German Holder, including a permanent representative, or fixed base of the Noteholder, (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain German situs property), (iii) the Notes or coupons are not presented for payment at the offices of a German branch of a German or foreign bank or financial services institution, that do not hold in custody or manage the Notes, in an over-the-counter-transaction ("*Tafelgeschäft*") by a person who is not a foreign bank or financial service institution and, (iv) in the event that the Notes are held in a custodial account maintained by a German Disbursing Agent, the Noteholder complies with the applicable procedural rules under German law and provides evidence of the fact that the Notes are not subject to taxation in Germany. Unjustified retained withholding tax shall be refunded upon request to the Local Tax Office ("*Finanzamt*") to whom the withholding tax was paid.

If the interest is subject to German taxation (for example, if the Notes are held as business assets of a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Tax Residents". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**If the Notes are offered by the Issuer other than in the Federal Republic of Germany, information relating to withholding tax may be disclosed in the Final Terms or, in the event of an offer which is made after completion of the Final Terms, in amended Final Terms.**

#### **European Council Directive on the Taxation of Savings Income**

On 3 June 2003 the Council of the European Union ("ECOFIN") approved a directive regarding the taxation of interest income. Accordingly, each EU Member State must provide to the tax authorities of the other Member States details of the payment of interest made by a person in its jurisdiction to any individual resident in the other relevant EU Member State. The directive has to be applied by the member states since 1 July 2005. The directive came into effect in German law on 1 July 2005.

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 35% from 1 July 2011 onwards.

#### **Gift or Inheritance Taxation**

No estate, inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of estate and inheritance taxes, both the decedent and the beneficiary, and, in the case of gift taxes, both the donor and the donee, are tax non-residents and are not deemed to be a tax resident of Germany at the time of the transfer and such Notes are not attributable to a permanent establishment in Germany. In the case of a decedent, donor or heir who is a German national, this only applies if such person has been a non-resident of Germany for more than five consecutive years.

#### **Stamp Duty**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

#### **AUSTRIA**

*The following is a brief summary of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes. In some cases a different tax regime may apply. Further, this summary does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisors to obtain further information about the tax consequences of the acquisition, ownership, disposition, exchange, exercise, settlement or redemption of the Notes. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor.*

*This summary is based on Austrian Law as in force when drawing up this Prospectus. The Austrian tax laws have changed due to the entry into force of provisions included in the Austrian Federal Budget Supplement Act 2011, Federal Legal Gazette I 2010/111, in the Austrian Tax Amendment Act 2011, Federal Legal Gazette I 2011/76, in the Austrian Federal Budget Supplement Act 2012, Federal Legal Gazette I 2011/112, and in the Austrian First Stability Act 2012, Federal Legal Gazette I 2012/22, on 1 April 2012. The Austrian Federal Ministry of Finance has moreover issued and published Guidelines on the Taxation of Investment Income dated 7 March 2012 relating to the application of the new tax laws. Relating to the new tax laws, there is currently neither case law nor a secure practice applied by the paying agents and/or securities account keeping agents so that deviations may result from the factual implementation and practice as compared to the legal situation described herein. The laws and their*

*interpretation by the tax authorities may change and such changes may also have retroactive effect. Prospective investors are therefore explicitly advised to consult their own professional advisers to obtain further information about the tax consequences of the acquisition, ownership, disposition, exchange, exercise, settlement or redemption of the Notes.*

*This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into, shares or other securities or rights or which in other way provide for physical settlement, or the consequences of the exchange, exercise, physical settlement or redemption of such Notes and/or any tax consequences after the moment of exchange, exercise, physical settlement or redemption.*

#### Austrian Resident Taxpayers

Income derived by individuals having a domicile or their habitual abode in Austria or corporations having their corporate seat or place of management in Austria ("residents") is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).

#### Notes

##### **Risk of re-qualification of Notes as investment fund units**

Certain Notes such as non-capital guaranteed basket or index linked notes and fund linked notes might be re-qualified by the tax authorities as foreign investment fund units under certain conditions. Pursuant to the Austrian Investment Fund Act, a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of risk-diversification is qualified as non-Austrian investment fund for tax purposes, without regard to its legal form (substance over form approach). Income from investment funds is taxed at the level of the investors and includes distributions as well as retained earnings of the fund deemed to be distributed to the investor ("ausschüttungsgleiche Erträge"). Such retained earnings are deemed to be distributed to the investor for tax purposes to the extent of the share interest of the investor no later than four months after the end of the business year of the investment fund in which the earnings were derived by the fund. If no Austrian tax representative is appointed for the fund and the retained earnings of the fund deemed to be distributed to the investor are also not reported to the securities account keeping agent by the investors themselves, the non-Austrian fund will be qualified a "black fund" and the retained earnings of the fund deemed to be distributed each calendar year will be determined on a lump-sum basis which will result in a tax base of 90 per cent. of the difference between the first and the last redemption price of the fund units fixed in a calendar year, but will be minimum 10 per cent. of the last redemption price of the fund units fixed in a calendar year. As the applicable tax rate is 25 per cent. for corporate investors as well as, in general, for individuals, this minimum lump sum tax base results in a minimum tax of 2.5 per cent. per year on the last redemption price (NAV) in any calendar year before maturity.

In the case of sales or redemptions of black foreign investment fund units, the whole difference amount between the sale price of the fund unit on the one hand and its acquisition cost plus already taxed retained earnings of the fund deemed to be distributed to the investor on the other hand will be subject to Austrian withholding tax of 25%.

Pursuant to the Investment Fund Guidelines 2008 published by the Austrian Federal Ministry of Finance a requalification of index and other reference linked notes into fund units requires (i) that an investment is effected in line with the principle of risk diversification and (ii) that the Issuer (or a trustee mandated by the Issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as actively managed portfolio. This should, inter alia, exclude capital guaranteed notes and notes with less than six underlyings from requalification. Pursuant to the Investment Fund Guidelines 2008 "directly held index linked certificates should not be requalified as foreign investment fund units, irrespective, whether the underlying index is a recognized or individually composed, fixed or flexible index". Therefore index linked notes should be prevented from a requalification as foreign

investment fund units. Furthermore, in practice, Notes issued by an Austrian issuer are not re-qualified as investment fund units.

In the following we therefore assume that the Notes do not qualify as foreign investment funds for income tax purposes.

### **Resident Individuals**

Generally for Notes held as private assets, income arising from the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Index linked Notes bearing interest or bearing index linked interest are treated as debt type claims (*Kapitalforderungen jeder Art*), whereas index (and other underlying) linked certificates without interest are treated as (securitized) derivatives (*verbriefte Derivate*) under the new Austrian income tax law. Investment income from the Notes comprises:

- (i) income from the provision of capital (*Überlassung von Kapital*) including interest payments on the Notes (*Zinserträge*),
- (ii) realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*) derived from assets which may generate income from the provision of capital, and
- (iii) for Notes bearing no interest and structured as index (or other underlying) linked certificates, income from derivatives including income from the sale, pay-off or redemption of (securitized) index (or other underlying) linked Notes.

Hence, not only interest payments but also realized capital gains will, irrespective of the period of time the Notes have been held for, qualify as investment income (*Einkünfte aus Kapitalvermögen*) and be subject to income tax at a special rate of 25% provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. Investment income includes income derived from the sale, redemption or other pay-off of the Notes and, in the case of derivative financial instruments, from any other settlement of the Notes. The tax base is, in general, the difference between (a) the amount realized (e.g., the sale proceeds or, the redemption or other pay-off amount) and (b) the acquisition costs, in all cases including accrued interest, if any. Expenses which are directly connected with income subject to the special tax rate of 25% are non-deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same account and having the same identification number which are acquired at different points in time, an average price applies.

If an Austrian securities account keeping agent or an Austrian paying agent is involved and pays out or settles the realization of the income or capital gain, income tax will be deducted by applying a 25% withholding tax. The 25% withholding tax deduction will result in a final income taxation for private investors (holding the Notes as private assets) provided that the investor has evidenced the factual acquisition costs of the Notes to the securities account keeping agent.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account (including Notes acquired before April 01, 2012) will be treated as dispositions (sales), unless specified exemptions are fulfilled like the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian bank, (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office or has himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the securities account keeping agent or the agent has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month.

To the extent that no withholding tax deduction will be effected due to the lacking of an Austrian paying

agent and of an Austrian securities account keeping agent, the investment income derived from the Notes will have to be included into the income tax return in line with the provisions of the Austrian Income Tax Act.

Taxpayers, whose regular personal income tax rate is lower than 25% may opt for taxation of the income derived from the Notes at such regular personal income tax rate. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 25% tax rate. Expenses in connection with income subject to final taxation or to the special 25% income tax rate and incurred by the investor are also not deductible for persons having opted for taxation at the regular personal income tax rate.

Losses from Notes held as private assets may only be set off with other investment income (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. The Austrian Federal Budget Supplement Act 2012 provides for a mandatory set-off of losses applied as of 1 January 2013 by the Austrian securities account keeping agent to investment income achieved in all securities accounts at the same agent qualifying as private assets. Also losses accrued in private assets between 1 April 2012 and 31 December 2012 will have to be set off by 30 April 2013 by the Austrian securities account keeping agents. A carry-forward of such losses is not permitted.

Income (including capital gains) derived from the Notes which are held as business assets will also be subject to the special tax rate of 25% deducted by way of a withholding tax provided that the realisation of capital gains or of income from derivatives does not form a focus of a business investor's activities. However, capital gains and income from derivatives, contrary to the income from the provision of capital (*i.e.* interest income), have to be included in the tax return (no final taxation). Write-downs and losses derived from the sale, redemption or other pay-off regarding the Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments and only half of the remaining loss may be set off or carried forward against any other income.

For income derived from Notes which have upon issue not been offered to the public as referred to in the Austrian Income Tax Act, the general income tax rate (as opposed to the 25% special tax rate) will apply.

Further, with effect as of 1 April 2012, amended exit tax rules have entered into force.

### **Resident Corporations**

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian entity obliged to deduct the withholding tax. Income including any capital gain derived from the Notes by corporate investors is subject to corporate income tax at the general rate of 25%. There is, *inter alia*, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

### **Certain aspects of the tax treatment of certain Notes**

Any income and capital gain from the sale or redemption of Notes acquired against consideration will be subject to income tax of 25% and the tax will be deducted by way of a withholding tax, if an Austrian paying agent or an Austrian securities account keeping agent will be involved. The tax base is, in general, the difference between (a) the amount realized (*e.g.*, the sale proceeds or, the redemption or other pay-off amount) and (b) the acquisition costs, in all cases including accrued interest, if any. Please also refer to the above described tax laws applying to "Resident Individuals".

Zero coupon Notes, index linked Notes bearing interest (including index linked interest), callable yield notes and cash or share-notes will qualify as notes under the new taxation rules but be subject to the taxation (25% withholding tax) of the difference between (a) the amount realized (*e.g.*, the sales price, the redemption amount) including accrued interest, if any and (b) the acquisition costs (including

accrued interest) if paid out by an Austrian securities account keeping agent or an Austrian paying agent. If held as business assets, interest upon redemption of the Zero coupon Notes is not subject to final taxation, but taxed like capital gains.

Index certificates (not bearing interest), discount certificates, leveraged certificates (*Hebelzertifikate*) and other derivative securities will qualify as (securitized) derivative financial instruments and be subject to the 25% withholding tax on capital gains and other income from such financial instruments. If the settlement of such Notes will be linked to an acquisition or receipt of shares and/or investment funds units, such receipt of shares and/or investment funds units will qualify as acquisition of the pertaining underlying. The acquisition costs of the underlying will correspond to the acquisition costs of the Notes. Any capital gains achieved upon the sale of the underlying will be subject to the special income tax rate of 25% for sales, which will be deducted by way of a withholding tax if an Austrian paying agent and or securities account keeping agent will be involved.

### **Non-Residents**

Income including any capital gain derived from the Notes by individuals who have neither a domicile nor their habitual abode in Austria or corporate investors who have neither their corporate seat nor their place of management in Austria ("non-residents") is not taxable in Austria provided the income is not attributable to a permanent establishment in Austria (for withholding tax under the EU Savings Directive see below).

Thus, non-resident investors in case they receive income from the Notes through a paying agent or a securities account keeping agent located in Austria may avoid the application of Austrian withholding tax if they evidence their non-resident-status vis-à-vis the entity obliged to deduct the Austrian withholding tax by disclosing information as required in the Austrian income tax guidelines. The provision of evidence that the investor is not subject to Austrian withholding tax is the responsibility of the investor.

If any Austrian withholding tax is deducted by the agent, the tax withheld shall be refunded to the non-resident investor upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

### **EU Council Directive on Taxation of Savings Income**

EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("**EU Savings Tax Directive**") provides for an exchange of information between the authorities of EU member states regarding interest payments made in one member state to beneficial owners who are individuals and resident for tax purposes in another member state. Austria has implemented the Savings Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax as an alternative to an exchange of information if the investor decides to remain anonymous. Such EU Withholding tax is levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident for tax purposes in another member state of the European Union or certain dependent associated territories. The EU Withholding Tax rate amounts to 35%.

Withholding tax will be deducted upon actual or deemed interest payments as well as upon sale, refund or redemption of debt claims. Further, withholding tax will be deducted - on a *pro rata temporis* basis - in case of changes of the individual's withholding tax status such as changes of his country of residence or transfer of his securities to a non Austrian account.

Deduction of EU Withholding Tax can be avoided if the EU-resident investor provides the paying agent

with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, *inter alia*, the name and address of the paying agent as well as the account number of the investor or the identification of the Notes.

The scope of the definition of interest payments for EU Withholding Tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. For example, under certain conditions and subject to the guidelines and information issued by the Austrian Ministry of Finance income from share linked notes, index linked notes or fund linked notes may not be considered as interest for EU Withholding Tax purposes while being interest for Austrian tax purposes. Subject to the guidelines and information issued by the Austrian Ministry of Finance the treatment of structured notes (certificates) for EU Withholding tax purposes depends on the underlying as well as whether or not the Notes are capital guaranteed. Generally, interest payments are subject to EU Withholding tax, whereas the gains realised upon the redemption or sale are treated as follows:

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: Interest payments are subject to EU Withholding Tax. Gains from Notes linked to shares, share indices, metals, currencies, exchange rates and the like which are not in advance guaranteed are not subject to EU Withholding Tax. If such gains are derived from Notes linked to bonds or bond indices they are not subject to EU Withholding Tax if the index or basket is comprised of minimum five different bonds of different issuers, if the portion of a single bond does not exceed 80% of the index and, with regard to dynamic Notes, the 80%-threshold is complied with throughout the entire term of the Notes. With regard to Notes linked to funds or fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index/fund is composed of minimum five different funds and a portion of each fund does not exceed 80%; in the case of dynamic notes the 80%-threshold must be complied with during the entire term of the Notes. If Notes are linked to mixed indices composed of funds as well as of bonds, gains do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of minimum five bonds and five funds of different issuers and a portion of a single bond or a single fund does not exceed 80% of the pertaining index.

Relating to capital guaranteed Notes, factually paid interest amounts, whether guaranteed or not, are subject to EU Withholding Tax. Guaranteed parts of difference amounts (between issue price and redemption price respectively sale price) are subject to EU Withholding Tax on the basis of the yield upon issue. Other non-guaranteed income (difference between issuance amount or higher guaranteed part of redemption amount and non-guaranteed parts of redemption amount/sales proceeds) is treated as follows: If the underlying qualifies as bond, interest rate or inflation rate, then the income will qualify as interest within the meaning of the EU Withholding Tax Act and be subject to EU Withholding Tax. If shares, share indices, share baskets, metals, currencies and commodities are referred to as underlyings, the income is not subject to EU Withholding Tax. If funds and fund indices are referred to as underlying, the income is not subject to EU Withholding Tax, provided that the funds do not generate interest income within the meaning of the EU Withholding Tax Act. Should the underlyings qualify as certificates or other securities the proceeds of which do not qualify as interest subject to EU Withholding Tax, then the income derived therefrom is not subject to EU Withholding Tax, too.

#### **Other Taxes**

There is no transfer tax, registration tax or similar tax payable in Austria by holders of bearer Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of bearer securities as well as the redemption of Notes is in general not subject to Austrian stamp duty.

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished as of August 1, 2008. No such tax is levied anymore upon a transfer of assets by way of inheritance or gifts occurring after July 31, 2008. However, according to the Gift Notification Act 2008 (*Schenkungsmeldegesez 2008*) gifts have to be notified to the tax authorities within a three-month

notification period. There are certain exemptions from such notification obligation, e.g., for gifts among relatives that do not exceed EUR 50,000 within a year or gifts among unrelated persons that do not exceed EUR 15,000 within five years.

## **BELGIUM**

*Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive.*

*This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.*

### **Belgian income tax**

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

#### ***Belgian resident individuals***

For individuals subject to Belgian personal income tax who are not holding Notes as professional investors, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. The current applicable withholding tax rate is 21 per cent. (applicable as from January 1<sup>st</sup>, 2012). In addition, a supplementary contribution of 4 per cent. is applicable for investors who have received dividend and certain interest income exceeding an aggregate annual total of 13,675 EUR (2012 indexed amount: 20,020 EUR). The investor may opt for withholding of this supplementary contribution. In that case, the withholding tax increased by the supplementary contribution amounts to 25 per cent. and can be the final tax. If the investor does not request for the withholding of this supplementary contribution of 4 per cent., the investor will have to report this interest payment in his or her yearly personal income tax return. Application for the local surcharge on interest reported in the yearly personal income tax return is currently subject to discussions and no further comments can be provided in this regard at the time of drafting this summary. If no Belgian intermediary is involved in the interest payment, the investor must report this interest as moveable income in his or her personal income tax return. Such income will, in principle, be taxed separately, currently at a rate of 21 per cent. (plus the above-mentioned supplementary contribution of 4 per cent., if any, and the local surcharge if applicable).

Any capital gain upon a sale of Notes, not allocated to the professional activity of the individual, to a party other than the Issuer, except for that part of the sale price attributable to the pro rata interest component, is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The investor must report the interest as income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 21 per cent. (plus the above-mentioned supplementary contribution of 4 per cent., if any, according to the same conditions described above and the local surcharge if applicable), unless it can be demonstrated that such income will be subject to the 21 per cent. Belgian withholding tax together with the supplementary contribution of 4 per cent. upon maturity.

If a levy has been applied according to the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), this levy does not free the

Belgian individual from the obligation to declare the interest income in the personal income tax return. However, this levy will be credited against personal income tax, and any excess amount will be refunded. The levy can also apply to interest paid through paying agents of certain dependent or associated territories, including, as the case may be, Curaçao.

Losses on the Notes held as a non-professional investment cannot usually be deducted.

### ***Belgian companies***

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 21 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalization bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Losses on the Notes are, in principle, tax deductible.

### ***Other Belgian legal entities subject to the legal entities income tax***

For other Belgian legal entities subject to the legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 21 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 21 per cent. No other legal entities income tax will be levied on this income. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Any capital gain on a sale of the Notes to a party not being the Issuer will, in principle, be tax exempt, except for that part of the sale price attributable to the pro rata interest component. Such interest is subject to withholding tax, currently at the rate of 21 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

### **Tax on stock exchange transactions**

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum of €650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

### **Savings Directive**

Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State.

However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to

information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Belgium also entered into an agreement with the Kingdom of the Netherlands in respect of Curaçao concerning the automatic exchange of information regarding savings income in the form of interest payments. Individual investors should seek professional advice to verify what obligation a paying agent in Curaçao is under to withhold any tax from the interest payable by the agent on the Notes under the aforementioned agreement.

## **FRANCE**

### **Payments made by the Guarantor**

There is no direct authority under French law on the withholding tax status of payments by the Guarantor under the Guarantee. Hence, the statements below are based on the interpretation of general French tax principles and any future legislative, judicial or administrative development may affect, potentially with retroactive effect, such statements. Under one interpretation of French tax law, payments made by the Guarantor of any amount due by the Issuer to a Noteholder which is a non-French tax resident and which is not acting through a French establishment or branch may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Accordingly, under this interpretation, payments made by the Guarantor of any amounts due by the Issuer under the Notes should be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of the Issuer not being resident of, or otherwise established in, France.

Under another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in the article 125 A III of the French *Code général des impôts*, such payments should be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*.

In the improbable case that none of the two above interpretations would prevail and if the payments by the Guarantor under the Guarantee would qualify as interest payments paid by a French debtor within the meaning of article 125 A III of the French *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of article 238-0 A of the French *Code général des impôts*.

### **Tax regime applicable to French tax residents**

#### **1. Individuals holding the Notes as private assets**

##### **a) Income**

Under the laws, regulations and administrative guidelines now in force in France, the income derived from Notes (interest and redemption premium, as set out in article 238 septies A of the French *Code Général des Impôts* held as private assets by individuals domiciled in France for tax purposes are subject to:

- (i) a progressive scale of income tax (in this case, income subject to income tax is reduced by deductible expenses, such as custody and coupon-payment costs),

- (ii) or, optionally, a flat withholding income tax rate of 24% ("*prélèvement forfaitaire libératoire*" - Article 125 A of the French *Code Général des Impôts*). This option must be expressly specified by the beneficiary, at the very latest, when the income is received.

Whatever the taxpayer decides, interest and bond redemption premiums are subject to the following social security contributions at a global rate of 13.5% (15.5% from 1 July 2012):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-O D and O E of the *Code Général des Impôts*). When income subject to this contribution is taxed to a progressive scale income tax (ie in the absence of option for the standard withholding income tax referred to above -*prélèvement forfaitaire libératoire* -) up to 5.8% of the general social security contribution paid is deductible, from global income that is subject to income tax for the year of payment of the aforementioned contribution (Article 154 *quinquies* II of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 3.4% (5.4% from 1 July 2012 - Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1% to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

b) Capital gains

Under current legislation, capital gains made by individuals domiciled in France for tax purposes on the sale of Notes are taxable at a rate of 19% (Article 150-0A *et seq.* and 200 A 2 of the *Code Général des Impôts*) to which is added the following social security contributions (at a global rate of 15.5%):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2% (Article 1600-OC and OE of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 5.4% (Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3% (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 % to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5% (Article 1600-0 J and O L of the *Code Général des Impôts*).

c) Capital losses

Capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years.

## 2. Legal entities subject to corporate income tax

### a) Income

Interest on Notes held by legal entities liable to corporation tax is included in taxable income for the year.

The bond redemption premium is the difference between amounts or securities to be received and those paid out when the Notes are acquired. The bond redemption is taxable at the time of redemption. However, if the premium exceeds 10% of the cost of acquiring the Notes and the average issue price of the Notes does not exceed 90% of the redemption value, the bond redemption premium will be spread out over the life of the Notes under the following conditions.

The fraction of premium and interest to be applied to taxable income up to the date of redemption of a Note is determined by applying to the acquisition cost (increased if necessary by the fraction of the capitalised premium and interest on the anniversary of the borrowing thus allowing the progressive taxation of annuities), the actuarial rate of interest determined at the acquisition date.

Interest and redemption premiums are taxable at a rate of 33.33% (or at a reduced rate of 15% under certain conditions and within certain limits for companies specified in Article 219 I b) of the *Code Général des Impôts*) to which is added a social security contribution at 3.3% calculated on the amount of corporate tax, with an allowance of Euro 763,000 for each 12-month period. Besides, an additional contribution of 5% will apply for fiscal years ending between 31 December 2011 and 31 December 2013 to companies with turnover exceeding €250 millions.

### b) Capital gains

Under current legislation, capital gains (exclusive of accrued interest made) realised when Notes are sold by legal entities domiciled in France for tax purposes are taken into account in order to determine a legal entity's taxable income under the general regime.

Under the general regime, capital losses are deductible from taxable income.

## 3. Legal entities carrying out commercial activity subject to income tax

### a) Income

The rules for the affectation and taxation of interest and redemption premiums are identical to those described above concerning legal entities liable to corporation tax.

### b) Capital gains

If the Notes have been held for more than two years, the capital gain on a sale is defined as a long-term capital gain on a sale subject to tax at a rate of 16% to which is added social security contributions (which translates as a global rate of 29.5%).

If they have not been held for more than two years, the short-term capital gain will be taken into account in determining the taxable net income under the general regime.

Net long-term capital losses can be affected to the losses for the (tax) year and/or offset against long-term capital gains realised within the course of either the (tax) year or next 10 (tax) years.

### Savings Directive

The Savings Directive was implemented into French law under article 242 *ter* of the *Code général des impôts* which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner ,

the total amount of interest paid to that beneficial owner and the total amount of the proceeds from sale, redemption or refund of debt claims of every kind realised by the beneficial owner during the calendar year.

## ITALY

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Programme 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 Notes 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 purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

#### *Italian resident Noteholders*

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see under "*Capital gains tax*", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, then interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. If the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status of the Noteholder, also to IRAP – the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economic Affairs and Finance through Circular No. 47/E of 8 August 2003, payments of interest premium or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, subjects to supervisory measures, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period.'

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Where an Italian resident Noteholder is a company or similar commercial entity and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation.

#### *Non-Italian resident Noteholders*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

#### **Atypical securities**

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

The 20 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution.

#### **Payments made by a non resident Guarantor**

With respect to payments made to Italian resident Noteholders 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.

#### **Capital gains tax**

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial

entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes 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 of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes 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 Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries, and (b) an express election for the *risparmio amministrato regime* being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (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 Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato regime*, where a sale or redemption of the Notes 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 Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *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 Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV, subjects to supervisory measures, will be included in the result of the relevant portfolio accrued at the end of the tax period..

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for 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. substitute tax.

Capital gains realised by Italian resident real estate funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Italian Law No. 86 of 25 January 1994, on the Notes are not taxable at the level of the real estate funds.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to *imposta sostitutiva*, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, 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 at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR100,000; and

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.

### **Transfer tax**

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €168; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### **EU Savings Directive**

Under EC Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the 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.

## **LUXEMBOURG**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### **Withholding Tax**

#### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes other than profit participating Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of the Notes.

Under the Laws implementing the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws will at present be subject to withholding tax of 35 per cent.

#### **(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes other than profit participating Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by Luxembourg resident holders of the Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## THE NETHERLANDS

### General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner or (blood) relative in a straight line (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institution (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

Where this summary refers to a holder of Notes, such reference is restricted to a holder holding legal title to as well as an economic interest in such Notes.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is not a resident or not deemed to be a resident of the Netherlands for Netherlands tax purposes.

### Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the average exceeds a certain threshold (in 2012 amounts to EUR 21,139 per person per annum). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

#### **Netherlands Gift and Inheritance Tax**

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is a (deemed) resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

#### **Netherlands Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

#### **Other Netherlands Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **EU Savings Directive**

Under European Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Notes are freely transferable. Offers and sales of Notes issued under this Programme are subject to the selling restrictions applicable in the jurisdictions where the Notes are offered or sold. The selling restrictions in respect of Austria, France, the Grand Duchy of Luxembourg and Italy and in general such jurisdictions as are parties to the Agreement on the European Economic Area (EEA), the United States, are set out below. Additional selling restrictions, if any, may be set out in the Final Terms.

### UNITED STATES

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any state securities law, and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

The Dealer has agreed that it will not offer, sell or deliver any Notes of any Tranche within the United States or to, or for the account or benefit of, any U.S. person, except as permitted by the Programme Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### EEA STATES

#### *Public Offer Selling Restriction under the Prospectus Directive*

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that (i) the Issuer has given its written consent and (ii) any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive. And in respect of investors in Norway that are duly registered as a professional investor pursuant to the Norwegian Securities Trading Act;

- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and the 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.

#### **AUSTRIA**

No offer of the Notes issued by the Issuer may be made to the public in Austria, except that an offer of the Notes issued by the Issuer may be made to the public in Austria (a) in the case of bearer Notes in the period beginning minimum one bank working day following (i) the date of publication of this Base Prospectus including any supplements but excluding any Final Terms in relation to those Notes issued by the Issuer which has been approved by the *Finanzmarktaufsichtsbehörde* in Austria (the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive; (ii) or being the date of publication (and communication to FMA) of the relevant Final Terms for the Notes issued by the Issuer and (iii) the date of filing of a notification with *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991 ("CMA": *Kapitalmarktgesetz 1991*), or (b) in the case of bearer Notes otherwise in compliance with the CMA.

Further, the Dealer represents, warrants and agrees that it has not and will not offer any registered Notes in Austria, either by private placement or to the public in Austria.

For the purposes of this provision, the expression "an offer of the Notes issued by the Issuer to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes issued by the Issuer to be offered so as to enable an investor to decide to purchase or subscribe the Notes issued by the Issuer.

#### **FRANCE**

The Dealer and the Issuer has represented and agreed that, and each further dealer appointed under the Programme and each other Purchaser will be required to represent and agree that:

- (a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public in France in the period beginning: (a) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of such publication; or (b) when a prospectus has been approved by the competent authority of another Member State of the EEA which has implemented the EU Prospectus Directive 2003/71/EC, on

the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus; or

(b) **Private placement in France:**

[in connection with their initial distribution,]<sup>8</sup> it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to: (a) providers of investment services relating to portfolio management for the account of third parties; and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## THE GRAND DUCHY OF LUXEMBOURG

In addition to the cases described in the selling restrictions under the heading "*Public Offer Selling Restriction under the Prospectus Directive*" in which any Dealer can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), any Dealer can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Directive 2003/71/EC (the **Prospectus Directive**) into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de surveillance du secteur financier* as the competent authority in Luxembourg in accordance with the Prospectus Directive.

## ITALY

Unless it is specified within the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Notes has not been registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or **CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of the Base Prospectus, any Final Terms or of any other document relating to the Notes be distributed, made available or advertised in the Republic of Italy, except:

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<sup>8</sup> Relevant if admission to trading on Euronext Paris is contemplated.

- (i) to **Qualified Investors** (*investitori qualificati*), as defined pursuant to Article 100, first paragraph, letter a) of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**);
- (ii) the delivery of any prospectus relating to the Notes, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, in an offer of financial products to the public in the period commencing on the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, on the date of the approval of such prospectus, all in accordance with the Prospectus Directive, as implemented in the Republic of Italy under the Financial Services Act and Regulation No. 11971, until 12 months after the date of publication of such prospectus or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, after the date of the approval of such prospectus; or
- (iii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (iii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

***Provisions relating to the secondary markets in Italy***

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Financial Services Act affects the transferability of the Notes to the extent that any placing of the Notes is made solely with Qualified Investors and such Notes are then systematically resold to non-Qualified Investors on the secondary market at any time in the 12 months following such placing and no exemption under (iii) above applies. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase null and void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Financial Services Act applies.

**General**

The Dealer has agreed, and any further dealer appointed under the Programme and each other Purchaser will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus or any offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it

makes such purchases, offers, sales or deliveries and neither the Issuer, nor the Guarantor nor the Dealer shall have any responsibility therefor.

Neither the Issuer, nor the Guarantor, nor the Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Purchaser will be required to comply with such other restrictions as the Issuer and the relevant Purchaser shall agree and as shall be set out in the applicable Final Terms and relevant syndication agreement (if applicable).

GENERAL INFORMATION

**Authorisation**

No specific resolutions, authorisations or approvals by the Issuer's corporate bodies are required for the issue of Notes and/or Certificates under the Programme.

No authorisation procedures are required of Société Générale by French law for the establishment of the Programme on a fiduciary basis or the granting of the guarantee in respect of the Notes.

**Availability of documents**

During the validity of this Base Prospectus (i.e. period of twelve (12) months following the date of its publication), copies of the following documents will be, when published, available for inspection during normal business hours at the registered offices of Société Générale, Frankfurt am Main branch, at Neue Mainzer Str. 46 - 50, D-60311 Frankfurt am Main:

- the Issuer's articles of association (with English translation thereof) as amended on 5th October, 1990;
- the 2012 Registration Document of Societe Generale Effekten GmbH dated 8 June 2012 containing the Issuer's audited financial statements as well as the management reports and cash-flow statements (with English translations thereof) for the years ended 31 December 2011 and 31 December 2010;
- the 2012 Registration Document of Societe Generale dated 14 June 2012 containing the Guarantor's audited financial statements, the management reports and cash-flow statements (with English translations thereof) for the years ended 31 December 2011 and 31 December 2010 as well as the English translation of the First Update to the 2012 French Registration Document of Societe Generale;
- this Base Prospectus, any Supplement(s) and any supplementary information that the Issuer may be required to provide pursuant to Sec. 16 German Securities Prospectus Act (Wertpapierprospektgesetz – WpPG) as well as the Final Terms containing the final terms in relation to Notes offered for public subscription and/or listed Notes (being understood that Final Terms relating to Private Placement Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of such Notes and identity);
- any document to be provided annually following the disclosure of the financial statements pursuant to Sec. 10 WpPG;
- the Agency Agreement entered into by the Issuer and the Guarantor;
- Société Générale's articles of association in the current version;
- the Guarantee dated 19 June 2012 of Société Générale in favour of the Noteholders; and
- the Trust Agreement between the Issuer and Société Générale dated 28 February 2006.

**No material adverse change**

There has been no material adverse change in the prospects of the Issuer and of the Guarantor since their last respective audited financial statements dated 31 December 2011.

### **Significant change in the financial or trading position**

There has been no significant change in the financial or trading position of the Issuer since the end of its audited financial statements dated 31 December 2011 and of the Guarantor and its consolidated subsidiaries (taken as a whole) since its unaudited financial statements for the first quarter 2012 as of 31 March 2012.

### **Litigation**

No governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability do exist or have existed.

The most significant litigation in which Societe Generale is currently involved is briefly described in the section headed "*Risks and litigation*" in the 2012 Registration Document of Societe Generale, copies of which are available at the offices of the Issuer and of the Guarantor specified at the end of this Base Prospectus. The information provided in the section headed "*Risks and litigation*" may be updated from time to time, and if any such updates constitutes a significant new factor for the purposes of Article 16 of the Prospectus Directive and for the purposes of paragraph 16 WpPG, this section "Litigation" shall be updated by way of a Supplement to the Base Prospectus.

### **Third party information**

Any information included in this Base Prospectus and specified to be sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information available to it from the relevant third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information. The Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

### **Placing and underwriting**

#### *Paying Agents*

The Issuer will appoint Société Générale, Frankfurt am Main branch, to act as Paying Agent. The Issuer may appoint further paying agents other than the Paying Agent referred to above and will give notice of any changes made to such Paying Agent. The relevant Paying Agent(s) will be specified in the Final Terms.

#### *Underwriting*

Unless otherwise specified in the Final Terms, the Notes issued under this Programme will be underwritten in whole by Société Générale in its capacity as Dealer and/or by any additional dealer specified in the Final Terms appointed pursuant to the Programme Agreement entered into between the Issuer and Société Générale..

#### *Calculation Agent*

Details relating to the calculation agent, if any and if different from Société Générale, will be specified in the applicable Final Terms.

### **Admission to trading and dealing arrangements**

#### *Admission to trading*

The Issuer may apply for the admission of the Notes issued on the basis of this Base Prospectus to trading on the Official Market and the Regulated Market of the Frankfurt Stock Exchange or any other regulated or unregulated market in the European Economic Area, as specified in the Final Terms.

#### *Secondary market*

The Programme Agreement does not contain a firm commitment by the Dealer or any other person to act as intermediary in the secondary market and to provide liquidity through bid and offer rates. Information relating to a secondary market making on a case by case basis, if any, will be set forth in the relevant Final Terms.

#### **Additional information**

##### *Advisers*

If any advisers beside the Legal Advisers named below are involved in an issue, such advisers will be set out in the Final Terms.

##### *Audit reports*

The issues of Notes will be audited or reviewed by a statutory auditor only in connection with the auditing of the annual or interim financial statements of the Issuer, to the extent such audits are required.

##### *Experts*

In connection with the preparation of this Base Prospectus, the Issuer has not relied on statements made by experts.

##### *Information sources*

Details relating to the information sources from which information included in the Final Terms have been obtained can be found in the relevant Final Terms.

##### *Credit rating*

Due to the issue of the Notes by the Issuer on a fiduciary basis for the benefit and for the account of the Guarantor, the Noteholders directly depend on the credit risk of the Guarantor (see "*Description of the Trust Agreement and the Limitation of Recourse*"). As of the date of approval of this Base Prospectus, the Guarantor has received the following ratings from Standard and Poor's, Moody's and Fitch set out below:

A1<sup>9</sup> by Moody's

A<sup>10</sup> by Standard & Poor's

A+<sup>11</sup> by Fitch

The credit ratings mentioned above have been issued by Moody's France S.A.S., Paris, France, Standard and Poor's Credit Market Services France S.A.S., Paris, France and Fitch France S.A.S. Paris, France, respectively, as indicated. Each of these credit rating agencies is established in the European Community and is registered under Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 (as amended by Regulation (EU) No. 513/2011, the "**CRA Regulation**"). The latest update of the list of registered credit rating agencies is published on the website of the European Securities and Markets Authority (ESMA).

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<sup>9</sup> **Long-Term Ratings:** Moody's long-term ratings are opinions of the relative credit risk of financial obligations with an original maturity of one year or more. A rating of "A" means: Obligations rated A are considered 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 Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>10</sup> **Long-term issuer credit ratings:** Rating "A" means: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>11</sup> **Issuer Credit Rating Scales (Long-Term):** A rating of "A" means: **A: High credit quality.** 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. *The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term IDR category, or to Long-Term IDR categories below 'B'.*

**Responsibility Statement**

Société Générale Effekten GmbH, having its registered office at Neue Mainzer Str. 46 - 50, 60311 Frankfurt am Main (the **Issuer**), and Société Générale, having its registered seat at 29, boulevard Haussmann, 75009 Paris (the **Guarantor**) (the **Responsible Persons**), assume, within the meaning of Section 5(4) German Securities Prospectus Act, responsibility for the information contained in, or incorporated into, this Base Prospectus, and declare that, to the best of their knowledge, the information contained in this Base Prospectus is in accordance with the facts and no material circumstances are omitted in the Base Prospectus, and that they have taken all reasonable care to ensure that the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.