

<b>AVVISO n.8819</b>	<b>14 Maggio 2012</b>	<b>SeDeX – INV. CERTIFICATES</b>
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Mittente del comunicato : Borsa Italiana  
Societa' oggetto dell'Avviso : Societe Generale Effekten  
Oggetto : Inizio negoziazione 'Investment Certificates – Classe B' 'Societe Generale Effekten ' emessi nell'ambito di un Programma

***Testo del comunicato***

Si veda allegato.

***Disposizioni della Borsa***

Strumenti finanziari:	<b>TWIN WIN SU FTSE MIB</b>
Emittente:	Societe Generale Effekten
Garante:	Société Générale S.A.
Oggetto:	<b>INIZIO NEGOZIAZIONI IN BORSA</b>
Data di inizio negoziazioni:	<b>15/05/2012</b>
Mercato di quotazione:	Borsa - Comparto SEDEX "Investment Certificates - Classe B"
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.5.1.5 delle Istruzioni
Operatore incaricato ad assolvere l'impegno di quotazione:	Société Générale S.A. Member ID Specialist: IT0667

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

##### **TWIN WIN SU FTSE MIB**

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

Data di rilevazione per la determinazione dell'importo di liquidazione a scadenza:

poiché 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 15/05/2012, gli strumenti finanziari "TWIN WIN SU FTSE MIB" (vedasi scheda riepilogativa delle caratteristiche dei securitised derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

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

Num. Serie	Codice Isin	Local Market TIDM	TIDM	Short Name	Long Name	Sottostante	Data Scadenza	Valore Nominale	Quantità	Lotto Negoziazione	EMS	Prima Barriera %	Livello Iniziale
1	IT0006722547	S13431	U4T1	S13431FTMIBTW	SGEFTMIBCCPTWB60%E040416	FTSE MIB	04/04/16	1000	25000	1	3	60	15606,33667



**APPLICABLE FINAL TERMS**

Dated 28 February 2012

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

**Issue of up to 100,000 Certificates of Euro 1,000 each (i.e. up to EUR 100,000,000)**

**Series DE 3596/12.4, Tranche 1**

**Named for commercial purposes "Twin Win su FTSE MIB"**

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

**PART A – CONTRACTUAL TERMS**

The Certificates are offered to the public in Italy for subscription from and including 1 March 2012 to and including 23 March 2012, save in the case of early termination or prolongation, as the case may be.

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 9 February 2012 (the **Base Prospectus**) (which (as supplemented by the supplement dated 20 February 2012) 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 to 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 shall be made to list the Certificates on the Italian Exchange for admission to trading of the Certificates on the Securities Derivatives Market (**SeDeX**) organized 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 share(s) 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 summarised. 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 Debt Issuance 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.

1.	(i)	<b>Issuer</b>	Société Générale Effekten GmbH
	(ii)	<b>Guarantor</b>	Société Générale (acting also as placement coordinator (" <i>responsabile del collocamento</i> ") pursuant to Article 93- <i>bis</i> of the Italian Legislative Decree n° 58/1998, as subsequently amended and supplemented (the " <b>Italian Financial Act</b> ")
2.	(i)	<b>Series Number</b>	DE 3596/12.4
	(ii)	<b>Tranche Number</b>	1
3.		<b>Specified Currency or Currencies</b>	Euro ("EUR")
4.		<b>Aggregate Number of Securities</b>	
	(i)	Tranche	Up to 100,000 Certificates. The Number of Securities will be determined at the end of the Offer Period and published in accordance with Condition 13(a).
	(ii)	Series	Up to 100,000 Certificates. The Number of Securities will be determined at the end of the Offer Period and published in accordance with Condition 13(a).
5.		<b>Issue Price</b>	EUR 1,000 per Certificate of EUR 1,000 Specified Denomination
6.		<b>Specified Denomination</b>	EUR 1,000 per Certificate
7.		<b>Issue Date</b>	2 April 2012
8.		<b>Final Exercise Date</b>	4 April 2016
9.		<b>Final Exercise/Payment Basis</b>	See paragraphs 17 to 22 below
10.		<b>Change of Final Exercise/Payment Basis</b>	Not Applicable
11.		<b>Call/Put Options</b>	Not Applicable
12.		<b>Status of the Certificates</b>	Unsubordinated
13.		<b>Method of distribution</b>	Non-syndicated

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

14.	<b>Fixed Amount Provisions</b>	Not Applicable
15.	<b>Interim Amount Provisions</b>	Not Applicable

16. **Dual Currency Certificate Provisions** Not Applicable

**PROVISIONS RELATING TO PHYSICAL DELIVERY**

17. **Physical Delivery Certificate Provisions** Not Applicable

**PROVISIONS RELATING TO EXERCISE**

18. **Exercise at the option of the Issuer (other than for Tax Reasons, as specified in Condition 6 (b), if applicable)** Not Applicable

19. **Exercise at the option of the Holders** Not Applicable

20. **Final Exercise Amount** See the Schedule

(i) Underlying See the Schedule

(ii) Initial Closing Price See the Schedule

(iii) Final Closing Price See the Schedule

(iv) Multiplier Not Applicable

(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 6 (g)

(xii) Minimum Trading Lot As specified in Condition 6(g) and in accordance with the Listing Rules of Borsa Italiana S.p.A..

(xiii)	Final Valuation Date	24 March 2016
(xiv)	Final Payment Date	4 April 2016
<b>21.</b>	<b>Final Exercise Date</b>	See paragraph 8 above
(i)	Specified Final Exercise Date	4 April 2016
(ii)	Exercise Month	Not Applicable
<b>22.</b>	<b>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)</b>	Market Value
<b>23.</b>	<b>Credit Linked Certificate Provisions</b>	Not Applicable

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

<b>24.</b>	<b>Knock-In/-Out Event(s)</b>	Not Applicable
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**GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

<b>25.</b>	<b>Form of Certificates</b>	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
<b>26.</b>	<b>Payments on Temporary Global Certificates Restricted</b>	Not Applicable
<b>27.</b>	<b>"Payment Business Day" election in accordance with Condition 5(d) or other special provisions relating to Payment Business Days</b>	Following Payment Business Day
<b>28.</b>	<b>Financial Centre(s) for the purposes of Condition 5(d)</b>	As specified in Condition 5(d)
<b>29.</b>	<b>Redenomination</b>	Not Applicable

**OTHER FINAL TERMS**

<b>30.</b>	<b>Other final terms</b>	Not Applicable
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**NOTICES**

31. **Means of publication in accordance with Condition 13(a)** <http://prospectus.socgen.com>
32. **Clearing System Delivery Period in accordance with Condition 13(b)** Not Applicable

**PLAN OF DISTRIBUTION AND ALLOTMENT**

33. **Notification Process for allotted amount** Not Applicable
34. **Tranche reserved to one of the countries where the Offer is made** Not Applicable

**PLACING AND UNDERWRITING**

35. (i) If syndicated, names of Managers Not Applicable
- (ii) Date of Subscription Agreement Not Applicable
- (iii) Stabilising Manager (if any) Not Applicable
36. **If non-syndicated, name of the relevant Dealer** Société Générale
- For the avoidance of doubt, the Dealer does not perform any placement activity of the Certificates to the public in Italy.
37. **Total commission and concession** There is no commission and/or concession paid by the Issuer to the Dealer (save for the structuring costs taken by the Dealer as indicated in Annex 1 hereto).
- Société Générale shall pay to the party(ies) mentioned below (each an "Interested Party") the following remunerations for the services provided by such Interested Party to Société Générale in the capacity set out below:
- to Allianz Bank Financial Advisors S.p.A., with registered office in Piazzale Lodi, 3 – 20137 Milan Italy, as distributor of the Certificates (the "**Distributor**") a placement remuneration of 5.00% of the amount of the Certificates effectively placed for a size of up to Euro 30,000,000. For the amount of Certificates effectively placed in excess of Euro 30,000,000, the remuneration will depend on the market conditions, provided that in no event will be higher than 6.00% of the amount of the Certificates

placed in excess of Euro 30,000,000.

Further details are available in Annex 1 hereto paragraph "1. Breakdown of the Issue Price and impact on the secondary market prices".

**38. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable** Not Applicable

**39. Additional selling restrictions** The Certificates are not eligible for sale in the U.S. and cannot be offered or sold for the account or benefit of U.S. Person.

**40. Table** Not Applicable

**GOVERNING LAW**

**41. Governing Law** 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.

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue of the Certificates and public offer in Italy and listing on the Italian Exchange for admission to trading of the Certificates on the Securities Derivatives Market, 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:

Signed on behalf of the Guarantor:

By: Achim OSWALD

By: Achim OSWALD

*Duly authorised*

*Duly authorised*

By: Günter HAPP

By: Günter HAPP

*Duly authorised*

*Duly authorised*

**PART B – OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

(i) Listing

By no later than 30 calendar days following the Issue Date, application will be made by the Issuer to list the Certificates on the Securitised Derivatives Market (“**SeDeX**”) organized and managed by Borsa Italiana S.p.A.. Subject to the approval of Borsa Italiana, it is expected that the Certificates will be listed on SeDeX withing 90 calendar days from the Issue Date, save for delays not attributable to the Issuer.

(ii) Admission to trading

Following to the listing, the Certificates will be admitted to trading on SeDeX. Société Générale will act as Specialist for the Certificates on SeDeX, in accordance with the applicable rules and regulations. The obligations of the Specialist are regulated by the rules of the markets organized and managed by Borsa Italiana S.p.A., and the relevant instructions to such rules. Moreover, the Issuer has undertaken to apply, in normal market conditions, a spread between bid and offer quotes not higher than 1%

In addition, in the period from the Issue Date to the listing date, Société Générale undertakes to provide liquidity through bid quotes. Such quotes will be determined with the same methodology as the one used for the determination of the Issue Price.

**2. RATINGS**

Ratings

The Certificates to be issued have not been rated.

The Guarantor has been assigned a senior debt rating of "A1 (negative outlook)" by Moody's Investors Service ("Moody's"), a senior unsecured debt rating of "A (stable outlook)" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and a long-term rating of "A+ (negative outlook)" by Fitch Ratings Limited ("Fitch" and, together with Moody's and S&P, the "Rating Agencies").

**3. NOTIFICATION AND AUTHORISATION**

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 has been drawn up in accordance with the Prospectus Directive.

The Issuer and the Guarantor have authorised the use of these Final Terms and the Base Prospectus dated 9 February 2012 by the Dealer/Managers and the entities in charge of the distribution of the Certificates, namely Allianz Bank Financial Advisors S.p.A. (the **Distributor** and, together with the Dealer/Managers, the **Financial Intermediaries**) in connection with offers of the Certificates to the public in Italy for the period set out in paragraph 12 below; being specified that name and address of the Distributor are available upon request to the Dealer (specified above in the item 36 of the Part A).

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

Save for any fees payable to the Distributor 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 the 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, <i>inter alia</i> 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 totally linked to the performance of the Underlying. The return depends upon the fact that the performance of the Underlying reaches or does not reach a pre-determined threshold. Accordingly, a small downward or upward movement of the Underlying close to the threshold may result in a significantly larger increase or decrease of the return of the Certificates. The return of these Certificates is linked to the performances of the Underlying as calculated on pre-determined Valuation Dates. As a result, the Closing Price of the Underlying on these dates will affect the value of the Certificates more than any other single factor. 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 adverse evolution of the Underlying during the term of the Certificates, be significantly lower than the amount per Certificate initially invested up to a total loss of the full amount initially invested. For more specific information please refer to Annex 1 hereto.

**7. PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** *(Dual Currency Certificates only)*

Not Applicable

**8. OPERATIONAL INFORMATION**

(i)	ISIN code	IT0006722547
(ii)	Common code	Available upon request, as needed
(v)	Clearing System(s)	Monte Titoli S.p.A., Piazza 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)** Not Applicable

**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 7 France

Telephone: +33 1 42 13 86 92  
(Hotline)  
Facsimile: +33 1 42 13 75 01  
Attention: Equity Derivatives Client Services  
Mail: clientsupportdeai@sgcib.com

**12. PUBLIC OFFERS**

This paragraph applies only in respect of any offer of Certificates made in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to

publish a prospectus for offers of Certificates.

- (i) Offer Period
- From and including 1 March 2012 to and including 23 March 2012 in Italy, save in the case of early termination or postponement. The Offer Period for the Certificates placed out of the premises of the Distributor and through “door-to-door selling” (through financial salesmen), pursuant to Article 30 and 31 of the Italian Financial Act, shall be from and including 1 March 2012 to and including 23 March 2012, save in case of early termination and postponement.
- Pursuant to Article 30, paragraph 6, of the Italian Financial Act, the validity and enforceability of the subscriptions through “door-to-door selling” are suspended for a period of seven days from the date of the subscription. During such period, investors have the right to withdraw from the subscription without any liability, charges or other commissions, by means of communication to the Distributor.
- The Issuer, subject to the agreement of the Distributor, may at any time and for any reasons early terminate, regardless of whether the maximum amount of the offer has been reached, or postpone the Offer Period.
- In such events, a notice to the investors on the early termination or the postponement, as applicable, will be published on the website of the Issuer (<http://prospectus.socgen.com>) and on the website of the Distributor ([www.allianzbank.it](http://www.allianzbank.it))
- (ii) Offer Price
- Certificates will be offered at the Issue Price. The description of the breakdown of the Issue Price (including the fees and cost components) is contained in Annex 1 hereto.
- (iii) Conditions to which the offer is subject
- Offers of the Certificates are conditional on their issue.
- The Issuer reserves the right, subject to the agreement of the Distributor, to withdraw the Offer and cancel the issuance of the Certificates for any reasons at any time on or prior to the Issue Date. For the avoidance of doubt, if any application has been made by a

**Conformed Copy**

potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Certificates.

In the event of cancel of the Offer, a notice to the investors will be published on the website of the Issuer (<http://prospectus.socgen.com>) and on the website of the Distributor ([www.allianzbank.it](http://www.allianzbank.it)).

(iv) Description of the application process

The distribution activity will be carried out in accordance with the relevant Distributor's usual procedures. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer or the Dealer in relation to the subscription of the Certificates.

(v) Details of the minimum and/or maximum amount of application

Minimum subscription amount per investor: 1 Certificate.

Maximum subscription amount per investor: 100,000 Certificates.

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

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

In the event that, during the Offer Period, the requests exceed the total amount of the Offer destined to prospective investors, the Issuer may early terminate the Offer Period and will immediately suspend the acceptance of further requests.

(vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants

Not Applicable

- (vii) Details of the method and time limits for paying up and delivering the Certificates
- The Certificates will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. The settlement of the net subscription moneys and the delivery of the Certificates will be executed through the Dealer mentioned above only for technical reasons. The Certificates will be delivered to the investors by the Distributor on or around the Issue Date. Investors will be notified by the relevant Distributor of their allocations of Certificates and the settlement arrangements in respect thereof.
- However, the Issuer will be the only offeror and as such will assume all the responsibilities in connection with the information contained in these Final Terms together with the Base Prospectus.
- (viii) Manner and date in which results of the Offer are to be made public
- Publication on the website of the Issuer (<http://prospectus.socgen.com>) and also on the website of the Distributor ([www.allianzbank.it](http://www.allianzbank.it)) on or around the Issue Date.
- (ix) Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised
- Not Applicable
- (x) Categories of potential investors to which the Certificates are offered
- Offers of the Certificates shall be made by the Issuer to the public in Italy through the Distributor.
- No underwriting commitment is undertaken by the Distributor.**
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made
- Each investor will be notified by the Distributor of its allocation of the Certificates after the end of the Offer Period and before the Issue Date.

(xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser

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 nor the Distributor shall have any obligation in relation thereto; in that respect, the Holders shall consult professional tax advisors to determine the tax regime applicable to their own situation. The Holders shall also consult the Taxation section in the Base Prospectus.

Additional subscription fees or purchases fees: None

**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 (acting also as placement coordinator (" <i>responsabile del collocamento</i> ") pursuant to Article 93- <i>bis</i> of the Italian Legislative Decree n° 58/1998 (the <b>Italian Financial Act</b> ))
3.		Specified Currency or Currencies	Euro ("EUR")
4.		Aggregate Number of Securities	
	(i)	Tranche	Up to 100,000 Certificates. The Number of Securities will be determined at the end of the Offer Period and published in accordance with Condition 13(a).
	(ii)	Series	Up to 100,000 Certificates. The Number of Securities will be determined at the end of the Offer Period and published in accordance with Condition 13(a).
5.		Issue Price	EUR 1,000 per Certificate of EUR 1,000 Specified Denomination
6.		Specified Denomination(s)	EUR 1,000 per Certificate
7.		Issue Date	2 April 2012
8.		Final Exercise Date	4 April 2016
1.(i)		Listing	By no later than 30 calendar days following the Issue Date, application will be made by the Issuer to list the Certificates on the Securitised Derivatives Market (" <b>SeDeX</b> ") organized and managed by Borsa Italiana S.p.A.. Subject to the approval of Borsa Italiana, it is expected that the Certificates will be listed on SeDeX within 90 calendar days from the Issue Date, save for delays not attributable to the Issuer.

**Part  
B**

20.		<b>Final Exercise Amount</b>	Index Linked
	(i)	Underlying	See in Part 2 – Definitions below
	(ii)	Initial Closing Price	Means the arithmetic average of the Closing Price

- of the Underlying on the Initial Valuation Dates  
(see also in Part 2 – Definitions below)
- (iii) Final Closing Price Means the Closing Price of the Underlying on the Final Valuation Date (see also in Part 2 – Definitions below)
- (iv) Multiplier Not Applicable
- (v) Final Exercise Amount See subparagraph (vii) below
- (vi) Valuation Date(s) See in Part 2 – Definitions below
- (vii) Index/Formula The Issuer shall exercise the Certificates on the Final Exercise Date in accordance with the following formula in respect of each Certificate:
- (i) If the Final Closing Price is equal to or higher than the Barrier Level (as defined below), then the Final Exercise Amount is equal to:
- $\text{Specified Denomination} * (100\% + \text{Final Premium})$
- where:
- $\text{Final Premium} = \text{Max} [((\text{Final Closing Price}/\text{Initial Closing Price}) - 1); (1 - (\text{Final Closing Price}/\text{Initial Closing Price}))]$
- (ii) Otherwise, if the Final Closing Price is lower than the Barrier Level (as defined below), then the Final Exercise Amount is equal to:
- $\text{Specified Denomination} * (\text{Final Closing Price}/\text{Initial Closing Price})$
- Where:
- $\text{Barrier Level} = 60\% * \text{Initial Closing Price}$
- (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 impracticable As provided in the Technical Annex and as the case may be in the Schedule
- (x) Automatic Exercise at Final

	Exercise Date	Applicable
(xi)	Waiver of Automatic Exercise at Final Exercise Date	By Notice Date, as specified in Condition 6 (g)
(xii)	Minimum Trading Lot	As specified in Condition 6(g) and in accordance with the Listing Rules of Borsa Italiana S.p.A. and/or the rules of other regulated or unregulated markets with similar listing requirements, if applicable.
(xiii)	Final Valuation Date	24 March 2016
(xiv)	Final Payment Date	4 April 2016
<b>30.</b>	Other final terms	Not Applicable

## **Part 2 – Definitions**

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

Initial Valuation Dates 2 April 2012, 3 April 2012 and 4 April 2012

Final Valuation Date 24 March 2016

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

<b>Index Name</b>	<b>Reuters Code</b>	<b>Index Sponsor</b>	<b>Exchange</b>	<b>Web Site*</b>
FTSE MIB	.FTMIB	FTSE International	Borsa Italiana (Italian Exchange)	www.ftse.com

*\*The information relating to the past and future performances of the Underlying is available on the website of the Index Sponsor or of the Exchange 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).*

## **Part 3 – Information relating to the Underlying(s)**

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 they are 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 Base 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 websites:  
<http://prospectus.socgen.com>; [www.allianzbank.it](http://www.allianzbank.it).

**ANNEX 1**

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

**1. Breakdown of the Issue Price and impact on the secondary market prices**

The Issue Price may be divided, from the financial point of view, into the following components, so determined as of 22 February 2012:

Issue Price	Euro 1,000.00	100.00%
Value of the derivatives component	Euro 940.40	94.40%
Distribution Fees	Euro 50.00	5.00% <sup>(i)</sup>
Structuring Costs	Euro 6.00	0.60% <sup>(ii)</sup>

(i) The Distribution Fee is equal to 5.00% for any placed amount of the Certificates up to Euro 30,000,000. For any placed amount above Euro 30,000,000, the Distribution Fee will be determined on the basis of the applicable market conditions, provided that in no case it will exceed 6.00% of the amount of the Certificates placed in excess of Euro 30,000,000. In such event a notice to the investors on the placed amount above Euro 30,000,000 and the relevant Distribution Fee will be published on the website of the Issuer (<http://prospectus.socgen.com>) and on the website of the Distributor ([www.allianzbank.it](http://www.allianzbank.it)).

(ii) The structuring costs are for the benefit of the Dealer and are charged in connection with the management of the market risks.

Provided that the Issue Price in all cases will be equal to Euro 1,000, during the period from the above mentioned date up to the Issue Date, the value of the derivatives component changes as a consequence of variations in market conditions.

Based on the breakdown of the Issue Price components, reported in the table above, and assuming that there are no variations in the market conditions during the Offer Period, the price at which the Securities could be sold by the investors on the day following the Issue Date will be equal to **93.40%** of the Issue Price, corresponding to the value of the derivatives component minus a secondary market bid/ask spread of 1% (except in case of exceptional market conditions). The selling price so determined (current value of the derivatives component minus bid/ask spread) will be also subject to any trading fees applied by the relevant intermediary in respect of the selling transaction.

**2. Expected variation of the price of the Certificates upon variation of certain parameters**

The following tables contain the so called "sensitivity analyses" showing as of 22 February 2012 how the price of the Certificates is expected to vary upon variation of the values of certain parameters.

Index Value

% Variation of the Index Value	Certificate Price	% Variation of the Certificate Price
+ 5%	Euro 1,043.05	4.31%
-	Euro 1,000.00	-
(-) 5%	Euro 956.60	(-) 4.34%

Implied Volatility

% Variation of the	Certificate Price	% Variation of the
--------------------	-------------------	--------------------

Implied Volatility		Certificate Price
+ 5%	Euro 986.60	(-) 1.34%
-	Euro 1,000.00	-
(-) 5%	Euro 1,013.00	1.30%

**Dividend Yield**

% Variation of the Dividend Yield	Certificate Price	% Variation of the Certificate Price
+ 10%	Euro 988.30	(-) 1.17%
-	Euro 1,000.00	-
(-) 10%	Euro 1,011.88	1.18%

**Interest Rates**

% Variation of the Interest Rates	Certificate Price	% Variation of the Certificate Price
+ 1%	Euro 991.60	(-) 0.84%
-	Euro 1,000.00	-
(-) 1%	Euro 1,008.30	0.83%

**3. Final Exercise Amount scenarios**

The Final Exercise Amount due at maturity of the Certificates depends on the value of the Underlying as of the Final Valuation Date, notably if it is higher (or equal) or lower than the Barrier Level.

Please find below three examples of what the Final Exercise Amount would be, depending on the Index value as of the Final Valuation Date.

For the purposes of the below scenarios, we have assumed: Initial Closing Price equal to 16664.23 and Barrier Level equal to 9998.54.

**Scenario 1**

The Final Closing Price is equal to 17000 index points, higher than the Barrier Level and higher than the initial Closing Price:

$$\text{Final Exercise Amount} = 1000 + 1000 * [(17000/16664.23) - 1] = \text{Euro } 1,020.15$$

**Scenario 2**

The Final Closing Price is equal to 12000 index points, higher than the Barrier Level but lower than the initial Closing Price:

$$\text{Final Exercise Amount} = 1000 + 1000 * [1 - (12000/16664.23)] = \text{Euro } 1,279.90$$

**Scenario 3**

The Final Closing Price is equal to 6000 index points, lower than the Barrier Level:

$$\text{Final Exercise Amount} = 1000 * (6000/16664.23) = \text{Euro } 360.05$$

#### 4. Comparison with a risk-free investment

Possible scenarios	Probability	Median values	Annual gross yield
Negative return scenario	29.99%	Euro 393.70	(-) 26.38%
Positive return but less than risk-free investment return	2.38%	Euro 1,008.40	0.21%
Positive return in line with risk-free investment return	19.22%	Euro 1,084.80	2.06%
Positive return and higher than risk-free investment return	48.42%	Euro 1,441.10	9.57%

The above simulations have been determined on the basis of Montecarlo simulations and of market conditions as of 22 February 2012: implied volatility: 26.81%; dividend yield 3.64%; and free risk rates: 1.41%.

For informative purposes, the table below shows the annual gross yield of a bond issued by the Republic of Italy with the same tenor of the Certificates:

Republic of Italy bond	Market price as of 22/02/2012	Annual gross yield
BTP 3.75% 15.4.2016 ISIN IT0004712748	99.459	3,93%

Source: Bloomberg

#### 5. Backtesting simulation

The purpose of this paragraph is to show how a certificate with the same characteristics of the Certificates would have performed, if issued four years ago.

In particular, it has been assumed the following:

Initial Valuation Dates: 22/02/2008; 25/02/2008; 26/02/2008

Initial Closing Price: 33930.67

Barrier Level: 20358.40

Issue Price: Euro 1000

Final Valuation Date: 13/02/2012

Final Exercise Date: 22/02/2012

The value of the Index as of the Final Valuation Date was equal to 16369.3 index points. The Final Exercise Amount would have therefore been equal to Euro 482.44 per each Certificate.

ANNEX 2

FORM OF NOTICE

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

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

**Issue of up to 100,000 Certificates of EUR 1,000 each (i.e. up to EUR 100,000,000)**

**Series DE 3596/12.4, Tranche 1**

**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 Italian Certificates” as set out in the Base Prospectus dated February 9, 2012 and any amendments or supplements thereto and the Final Terms dated 28 February 2012 (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 exercised 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:

---

Market Member:

---

Series of Certificates:

---

Number of Certificates:

---

Address:

---

Signature of the Holder

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## 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 12, the **Substitute Debtor** as defined in Condition 12).

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 6 (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 13, 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 13. 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 15, 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 17 (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 17 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 9 February 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 - NEGATIVE PLEDGE

The Guarantor will not, so long as any of the Certificates remain outstanding, create or have outstanding a Security Interest (as defined below) other than a Permitted Security Interest (as defined below) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Certificates are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as approved by an extraordinary resolution (duly passed by a majority of not less than three-fourths of the votes cast) of the Holders.

For the purposes of this Condition 3:

**Permitted Security Interest** means (i) any Security Interest created or outstanding upon any property or assets (including current and/or future revenues, accounts, receivables and other payments) of the Guarantor arising out of any securitisation or other similar structured finance transaction involving such property or assets where the primary source of payment of any obligations secured by such property or assets is the proceeds of such property or assets (or where the payment of such obligations is otherwise supported by such property or assets) and where recourse to the Guarantor in respect of such obligations does not extend to defaults by the obligors in relation to such property or assets; or (ii) a lien arising solely by operation of law.

**Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, certificates, bonds, debentures (including, without limitation, *obligations*, as such term is defined for the purposes of French law) or other securities, of the Guarantor, which are for the time being quoted, listed or ordinarily dealt in on any stock exchange or regulated securities market and (ii) any guarantee or indemnity of any such indebtedness.

**Security Interest** means any mortgage, charge, lien, pledge or other encumbrance.

### CONDITION 4 - 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 4(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 4(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 4:

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 5 - PAYMENTS**

For the purposes of this Condition 5, 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 6(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 5(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 7;
- (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 7.

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 5(g):

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

## **CONDITION 6 – EXERCISE AND PURCHASE**

(a) *Exercise at maturity*

Certificates other than Open-End Certificates:

Without prejudice to Condition 6 (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 6.

(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 6(f)) upon giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 13, 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 7 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 24 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 7, 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 13, 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 6 (b)(i) and 6 (b)(ii) and in Condition 9); 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 6(c) and 6(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 13, 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 6(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 6 (d).

The appropriate notice of exercise given by the Issuer to the Holders in accordance with Condition 13 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 13 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 6(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 6(d) and instead declare such Certificate forthwith due and payable pursuant Condition 9; 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 6(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 6(b) and Condition 9, 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 6 (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 7 – 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 5(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 7:

**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 13.

## CONDITION 8 – 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 9 – 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 6 (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 10 – 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 11 – 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 13.

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 12 – 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 12:

**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 13 without delay. Upon such Notice, the substitution shall become effective, and the Issuer, and in the event of any repeated application of this Condition 12, 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 6(b) and Condition 7 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 9 (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 9 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 13 – 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 13(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 14 – 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 15 – 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 15:

**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 13, 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 16 – 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 17 – 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 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 13. 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 13. 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 13 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 13.

*(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.

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## 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, AMERICAN DEPOSITARY RECEIPTS (ADR), INDICES, SGI INDICES, DIVIDENDS AND EXCHANGE TRADED FUNDS (ETF)

#### I. COMMON DEFINITIONS AND PROVISIONS FOR SHARES, ADR, 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 4 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.

### **I.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 4 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, 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.

## **I.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 6(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 6(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 calculation agent (the **Successor 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 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 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 6(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 6(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 6(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 6(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 6(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 6(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 6(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 Calculation Agent**), acceptable to the Calculation Agent; or
- (b) replaced by a Similar Index,

then in each case that index published by the Successor 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 6(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 6(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 Compounding Period, each Business Day (being a Business Day at Paris) of such Compounding 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 6(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 6(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, INSOLVENCY FILING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES

### V.1 Hedging Disruption 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.

**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 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 6(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 6(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 13 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 4 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 Compounding Period, each Business Day of such Compounding 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 6(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 6(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 6(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 6(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 13 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 "MTLE" 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 "MTLE" 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 "MTLE" 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 "MTLE" 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 "MTLE" 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 4 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 6(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 6(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 6(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 13 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.

## 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  $\neq i_0$**

by extension the item ranked  $i_0$  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. Max [-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  $i$  from X to Y**

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  $i$  from 1 to 5 Share(i) means that the relevant value to be considered is the lowest value amongst the 5 values that Share(i) takes.

**Max  $i$  from X to Y**

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.

$$\sum_{n=1}^X \text{ or Sum}_{n \text{ from } 1 \text{ to } X}$$

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 10 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 9 February 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 9 February 2012 and 9 February 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, 9 February 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.

## 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. 2011 Registration Document of Société Générale Effekten GmbH**

The 2011 Registration Document of Société Générale Effekten GmbH dated 11 August 2011 (the **2011 Registration Document of Société Générale Effekten GmbH**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*.

### **C. 2011 Interim Financial Statements of Société Générale Effekten GmbH**

The English version of the selected financial information derived from the unaudited interim financial statements of Société Générale Générale Effekten GmbH as of 30 June 2011 prepared in accordance with German accounting principles (the **2011 Interim Financial Statements of Société Générale Effekten GmbH**).

## 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. 2011 Registration Document of Société Générale**

The 2011 Registration Document of Société Générale dated 13 July 2011 (the **2011 Registration Document of Société Générale**) approved by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (**BaFin**).

### **C. 2011 Interim Financial Statements of Société Générale**

The English version of the selected financial information derived from the unaudited interim financial statements of Société Générale Générale as of 30 June 2011 prepared in accordance with French accounting principles (the **2011 Interim Financial Statements of Société Générale**).

## 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 ("Solidaritätszuschlag") 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 the tax laws of any country other than Austria, nor any double-taxation aspects, 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 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 upon having the Base Prospectus approved. The Austrian tax laws will change on April 1, 2012 due to the Austrian Accompanying Budget Act 2011 published in the Federal Legal Gazette I 2010/111 and to the Austrian Tax Amendment Act 2011 published in the Federal Legal Gazette I 2011/76. That is why the following summary describes the tax laws to be applied to the Notes before and after this effective date. Relating to the new tax laws there is currently neither case law nor guidelines or regulations by the Federal Ministry of Finance nor a secure practice applied by the paying agents and/or securities depository agents so that deviations may result from the factual implementation and practice as compared to the legal situation described herein. 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 before or after April 1, 2012.*

*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, 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 or corporations resident in Austria is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). The term "resident" in this regard generally means persons having either their residence or habitual abode or companies having their seat or place of management in Austria.

#### *Risk of re-qualification of Notes as investment fund units*

Certain Notes such as non-capital guaranteed basket or index linked notes, fund linked notes or credit linked notes may be re-qualified by the tax authorities as foreign investment fund units under certain conditions. Pursuant to Sec 42 of the Austrian Investment Fund Act 1993 (as from April 1, 2012: Sec 188 of the Austrian Investment Fund Act 2011 [see Sec 198 para 2 of the Austrian Investment Fund Act 2011]), a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of risk spreading is qualified as non-Austrian investment fund for tax purposes, without regard to its legal form (substance over form approach).

Pursuant to the Investment Fund Guidelines 2008 applying to index linked notes, a requalification of notes into fund units requires (i) that an investment governed by non-Austrian law is effected in line with the principle of risk spreading 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, inter alia, excludes capital guaranteed notes and notes with no more than six underlyings from requalification. However, "directly held index linked notes will in no case be requalified as foreign investment fund units, irrespective, whether the underlying index is a recognized or individually composed, fixed or flexible index". The latter provision targets to immunize (genuine) index linked notes against requalification. The Investment Fund Guidelines 2008 were published in the form of a ministerial decree and have therefore no binding effect for courts. However, the Guidelines are regarded as binding for the Austrian tax authorities.

a) If a requalification of Notes into non-Austrian fund units took place, the following would apply before April 1, 2012:

Investment funds are treated as transparent for income tax purposes. Taxable income from investment funds includes distributions as well as retained earnings of the fund (interests, dividends, capital gains) 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 tax authorities 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% of the difference between the first and the last redemption price of the fund units fixed in a calendar year, at least, however, 10 % of the last redemption price (or net asset value (NAV) or stock exchange price) of the fund units fixed in a calendar year. As the applicable tax rate is 25% 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 year on the last redemption price (NAV) in any calendar year before maturity. In case of a sale (redemption) of black foreign investment

fund units, the tax base would be the difference between the redemption price (NAV) upon disposal and at the end of the last calendar year, at least, however, 0,8% of the redemption price (NAV) upon disposal for each month of the current calendar year. The investors will have to include the pertaining income into their income tax statement. Further, non-Austrian investment fund units, with the exception of funds that are daily reporting relevant figures to the *Oesterreichische Kontrollbank*, which are held in an Austrian credit institution deposit are subject to an annual 1,5 % compliance tax (calculated on the last redemption price (NAV) in any calendar year) deducted by the credit institution unless the investor discloses the funds vis-à-vis the Austrian tax authorities and evidences this to the Austrian credit institution. Moreover, a pro rata compliance tax applies in the calendar year of the sale or redemption of the fund unit. This compliance tax will automatically be deducted by the Austrian credit institution.

b) If a requalification of Notes into non-Austrian fund units took place, the following would apply on or after April 1, 2012 to Notes acquired before, on or after April 1, 2012:

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 depository 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 acquired on or after January 1, 2011, 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% with effect from April 1, 2012. Special transitional rules will apply to sales or redemptions of fund units before April 1, 2012.

In the following we assume that the Notes do not qualify as foreign investment funds for income tax purposes.

#### *Individuals*

##### *1. Tax laws applying to Notes acquired before April 1, 2012*

Generally, income arising from the Notes should qualify as income from debt-securities (*Kapitalerträge aus Forderungswertpapieren*). Income from debt-securities includes (i) interest payments as well as (ii) income, if any, realized upon redemption or prior redemption (being the difference between the issue price and the redemption amount, or in case of prior redemption, the repurchase price - a maximum 2 % tax-exempt threshold applies to specified Notes bearing also ongoing coupons with a minimum 5 year maturity; in practice, however, this exemption is not available for index linked notes and other underlying linked notes treated like index linked notes) or (iii) realized upon sale of the Notes (only to the extent of accrued interest and comparable consideration for future fixed redemption or interest payments but excluding capital gains, - in case of index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates, however, the whole gain would be treated as income from debt-securities, see also below "Certain aspects of the tax treatment of certain notes").

If income from debt-securities is paid out by a coupon paying agent (*kuponauszahlende Stelle*) located in Austria, it is subject to 25% Austrian withholding tax (*Kapitalertragsteuer-KESt*). The coupon paying agent is the credit institution, including an Austrian branch of a non-Austrian credit institution or investment firm, which pays out such income to the holder of the Notes.

Provided that the Notes have been offered to the public within the meaning of Sec 97 of the Austrian Income Tax Act (public placement), the 25% withholding tax constitutes a final taxation (*Endbesteuerung*) for all individuals, no matter whether they act as private investors or hold the Notes as business asset. Final taxation means that no further income tax will be assessed and the income is not to be included in the investor's income tax return. As regards the taxation of capital gains please see below.

Generally, for a public placement within the meaning of Sec 97 of the Austrian Income Tax Act the Notes have to be offered legally and factually to an undetermined number of persons. The Austrian Ministry of Finance requires that the offer is addressed (whether in Austria or abroad) to an undetermined number of addressees or to more than 250 persons in order to qualify as a public placement. This is deemed to be the case if notes are traded at a regulated market (e.g. a listing of notes on the Third Market of the Vienna Stock Exchange (*Dritter Markt*) does not suffice for the qualification as a public placement for income tax purposes) or if they are acquired within six months after the issuance by more than 250 different purchasers (whether in or outside of Austria). Evidence of the acquisition by more than 250 purchasers can be given by a confirmation of the credit institution having arranged the issue or by the purchase of the Notes by an Austrian investment fund. Evidence for a public offer within the meaning of Sec 97 of the Austrian Income Tax Act may also be given by underwriting agreements pursuant to which the Notes are subscribed for, and distributed by, one or more credit institutions or if the Notes are offered via Reuters, Bloomberg or similar widely recognized trading systems, or over other public media.

If the Notes are not offered to the public within the meaning of Sec 97 of the Austrian Income Tax Act (private placement), the income derived from the Notes is taxable at the respective Noteholder's normal progressive personal income tax rate amounting up to 50%. The Austrian withholding tax will be credited against the income tax liability.

Please note that the definition of a public offer in Sec 97 of the Austrian Income Tax Act is not completely in line with the definition of a public offer according to the Austrian Capital markets Act 1991, as amended (*CMA*) which reflects the definition in the EU Prospectus Directive (particularly an offer to more than 100 persons will usually be a public offer according to the Austrian Capital markets Act 1991). It cannot be ruled out that the definition of a public offer for tax purposes or the construction of the term "public offer" by the tax authorities will also change accordingly.

Where there is no deduction of Austrian withholding tax because the income from the Notes is not received in Austria (not paid out by a coupon paying agent located in Austria) Austrian investors will have to declare the income derived from the Notes in their income tax returns pursuant to the Austrian Income Tax Act. A special 25% income tax rate pursuant to Sec 37 subpara 8 of the Austrian Income Tax Act is applicable provided that the Notes have been offered to the public within the meaning of Sec 37 subpara 8 of the Austrian Income Tax Act.

Individuals 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. In this case, the withholding tax will be credited against the income tax liability and the excess amount shall be refunded. Expenses incurred by the investor in connection with income derived from (publicly placed) Notes are not deductible.

Special rules apply in case a noteholder transfers his residence or deposit account outside Austria.

Upon the sale of the Notes accrued interest realised upon such sale is taxed as income from debt-securities being subject to withholding tax as set out above (with regard to index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates the whole gain would be treated as income from debt-securities, see below "Certain aspects

of the tax treatment of certain notes"). For private investors, any additional capital gain on the disposal of the Notes is taxable if the disposal takes place within one year after the date of the acquisition of the Notes pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft* – speculative transaction). For Notes acquired after September 30, 2011 but before April 1, 2012, any sale or other settlement of the Notes taking place before April 1, 2012 is taxable as speculative transaction at normal progressive income tax rates and any sale or other settlement of the Notes taking place on or after April 1, 2012 is taxable at the new special tax rate of 25%. Such speculative gain before April 1, 2012 is taxed at normal progressive income tax rates amounting up to 50% if the total of such speculative gain exceeds 440 Euro per year. If the Notes qualify as business assets, capital gains on the disposal are taxable irrespective of the date of the disposal at normal progressive income tax rates.

## 2. Tax laws applying to Notes acquired on or after April 1, 2012

For Notes acquired against consideration on or after April 1, 2012, the following applies with effect as of April 1, 2012: Not only interest amounts 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%. Investment income will, inter alia, include 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 amount between the sale proceeds or, the redemption or other pay-off amount and the acquisition costs, in each case including accrued interest. There will be no more withholding tax credits upon the purchase of Notes. Expenses which are directly connected with income subject to the special tax rate of 25% shall be 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 Notes account and having the same Notes identification number which are acquired at different points in time, an average price shall apply.

If an Austrian securities depository agent or an Austrian paying agent is involved and settles the realization of the income or capital gain, the 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 depository agent.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities deposit (including Notes acquired before April 1, 2012) will be treated as disposals (sales), unless specified exemptions will be fulfilled like the transfer of the Notes to a securities deposit 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 like the transfer without consideration (e.g. gift, inheritance) to a securities deposit held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced (e.g. certificate about the notification of a gift or an inheritance statement) to the securities depository agent or the agent has been instructed to inform the Austrian tax office thereof.

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 depository 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 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 investment income not subject to the special 25% tax rate) and must not be set off with any other income. The set-off of losses will require the filing of a tax return with the competent tax office. A carry-forward of such losses is not permitted.

Income (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, however, such income has to be included in the tax return. Write-downs to the going-concern value and losses derived from the sale, redemption or other pay-off of 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. This applies with effect of 1 April 2012 also to Notes acquired before such date.

For income derived from Notes which have not been offered to the public, no undefined circle of addressees from a legal and factual perspective, the general income tax rate amounting up to 50% (as opposed to the 25% special tax rate) will apply.

The formerly applicable provisions on the taxation of speculative transactions will not apply to any Notes acquired against consideration on or after April 1, 2012, because the new capital gains taxation neither considers a certain holding period nor a certain amount of shares held. As from April 1, 2012 any capital gains shall be subject to taxation.

Further, with effect of 1 April 2012, amended exit tax rules will enter into force. These exit tax rules lead to the immediate taxation of the hidden reserves (difference amount between the market price at the time of departure and issue or purchase price) in the case of departure, unless a person moves to another EU or EEC country with an assistance in the execution treaty. In such cases the Notes will only be taxed at the time of a real disposal. Departure means that Austria loses the right of taxation.

### *Corporations*

Corporate investors deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian entity obliged to deduct the Austrian withholding tax. Income including any capital gain derived from the Notes by corporate investors is subject to Austrian corporate income tax at the general rate of 25% (flat rate). 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*

#### *1. Tax laws applying to Notes acquired before April 1, 2012*

Upon the sale of Zero Coupon Notes the difference between the issue price and the proceeds from the sale would be taxable as income from debt-securities being subject to withholding tax (where such withholding tax applies) merely to the extent of the positive difference amount between the issue price and the inner value of the notes; any additional capital gain would be taxable for private investors pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft – speculative transaction*) if the sale took place within one year after the date of the acquisition of the Notes.

Relating to index linked Notes, the whole positive difference amount realized upon redemption or sale of the Notes as compared to the issue price is treated as income from debt-securities and therefore also subject to withholding tax (where such withholding tax applies). The taxable gain is calculated as positive difference between issue price and redemption amount/sales price. Positive difference amount (parts) between purchase or redemption price and issue price are taxable for private investors pursuant to Sec. 30 Income Tax Act (*Spekulationsgeschäft – speculative transaction*) if the sale or redemption of the notes takes place within one year after the date of the acquisition of the Notes. The same tax treatment applies to share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates (if no requalification as fund units takes place) – for these, the whole positive difference amount between redemption (sale) price and issue price is treated as income from debt-securities.

The Austrian tax authorities have decided that Notes where only the coupon(s) but not the redemption amount is (are) linked to an index or other underlying must be treated as "index linked Notes". In such case the (whole) positive difference amount between issue price and sale price or redemption price is subject to withholding tax.

If inflation linked Notes bear interest and their redemption amount is linked to the performance of an inflation index, apart from the coupon payments also the difference amount between issue price and redemption price and in cases of sales, also the difference amount between issue price and index linked calculated value (but not the whole capital gain [however the capital gain could be subject to income tax as speculative transaction]) is subject to withholding tax.

Income from leveraged Notes (turbo notes), e.g. certificates or notes which may be subscribed at a lower price than the underlying's current market price, qualifies as income from debt-securities subject to 25% Austrian withholding tax provided that the leverage factor applied upon subscription/issue to the notes' or certificate's subscription price is less than five (the note's subscription price amounts to more than 20 per cent of the underlying's market price). If the leverage factor is at least five, income from the sale or redemption of the notes will not be subject to the 25% withholding tax (but qualify as capital gain potentially subject to taxation as speculative transaction, see above under "individuals") provided that the leverage factor is sufficiently evidenced by the foreign issuer submitting the terms and conditions of the notes to the Oesterreichische Kontrollbank AG before or within 24 hours after the first offering of the notes in the Austrian market. If such evidence is provided later, the Austrian coupon paying agents have to continue to deduct withholding tax. However, the noteholder may claim refund of the withholding tax upon personal income tax assessment or pursuant to Sec 240 subpara 3 of the Austrian Fiscal Procedure Code (BAO).

Guidelines issued by the Austrian Ministry of Finance provide further details for the tax treatment of some other structured financial instruments. In case of reverse convertibles (cash or share-notes) bearing high interest the full coupon would be treated as interest; however, pursuant to current practice, losses incurred upon the redemption could with an amount equalling to the interest income of the last coupon payment period be set off upon redemption against the interest income (also) by private investors (Income Tax Guidelines no. 6198). Callable yield notes are treated in the same way as reverse convertibles.

In case of option notes bearing low interest, the issue price is split between the price of the bond and the price for the option which leads to the recalculation of the issue price for tax purposes.

Tax consequences of conversion or of any option exercise or of any other physical settlement of Notes are not discussed in this context.

This entire outline of the taxation of the Notes is based on the assumption that the Notes will be treated as debt-securities (*Forderungswertpapiere*) and will not be qualified as equity instruments for tax

purposes such as shares or equity participation rights (*Substanzgenussrechte*). Further, this outline is based on the assumption that the Notes do not qualify as derivative instruments or contracts for differences resulting for private investors in taxation of capital gain pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft*) at progressive rates rather than being subject to withholding tax. Pursuant to Sec 30 Income Tax Act certain types of transactions such as the sale of securities would be taxable for private investors only if carried out within one year following the acquisition (speculative period) whereas other transactions such as futures, forwards or contracts for differences (*Differenzgeschäfte*) would be taxable irrespective of the one year speculative period. For Notes acquired on or after October 1, 2011 and before April 1, 2012, the speculative period is unlimited in time. This latter rule does not apply to Notes sold on or after April 1, 2012 in which case the new 25% special tax rate will apply.

## *2. Tax laws applying to Notes acquired on or after April 1, 2012*

As of April 1, 2012, any income and capital gain from the sale or redemption of Notes acquired against consideration on or after April 1, 2012 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 depository agent will be involved. The tax base will be the difference amount between the sales price, the redemption amount or other pay-off amount and the acquisition costs, in all cases including accrued interest, if any. Please also refer to the above described new tax laws for the Notes acquired on or after April 1, 2012.

Zero coupon Notes will qualify as notes under the new taxation rules but be subject to the taxation of the difference amount between the sales price, the redemption amount and the acquisition costs, including accrued interest, if any.

Index linked Notes, inflation linked Notes and leveraged Notes (turbo notes) 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. As of April 1, 2012, leverage factor notifications to Oesterreichische Kontrollbank AG will be abolished.

Option Notes and convertible and reverse convertible Notes will be subject to a 25% withholding tax on income from the sale or other settlement of such securities or from compensation amounts for differences. 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. If the acquisition date of the share and/or investment fund unit is later than the December 31, 2010, then any capital gains achieved upon the sale of the underlying on or after April 1, 2012 will no longer be subject to the rules for speculative transactions (Section 30 Income Tax Act in its old version) but will be subject to the special income tax rate of 25% as at the effective date April 1, 2012, which will be deducted by way of a withholding tax if an Austrian paying agent and or securities depository agent will be involved. If the sale of the share and/or investment fund units acquired later than December 31, 2010 will take place before April 1, 2012, then the rules for speculative transactions (Section 30 Income Tax Act in its old version) will continue to apply with a speculative period extended until March 31, 2011.

## **Non-Residents**

Income including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria (for withholding tax under the EU Savings Directive see below; tax consequences of a requalification into a foreign investment fund are not discussed with regard to non-residents herein).

Income including any capital gain derived from the Notes by corporate investors who do not have their corporate seat or their place of management in Austria ("non-residents") is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria.

Thus, non-resident investors - in case they receive income from the Notes through a paying agent or a securities depository agent located in Austria - may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the Austrian entity obliged to deduct the Austrian withholding tax. 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.

Exceptionally there may be a limited tax liability for non-residents in the case of capital gains directly or indirectly secured by Austrian real estates, domestic rights or domestic ships.

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**

The EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (Savings 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 of the European Union or certain dependent associated territories. Austria has implemented the Savings Directive by way of the EU Withholding Tax Act (*EUQuellensteuergesetz*) which provides for a withholding tax rather than for an exchange of information. Such EU Withholding tax will be 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. The EU Withholding Tax 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. (Sec. 10 EU Withholding Tax Act)

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.

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: Factually paid interest amounts are

subject to EU Withholding Tax. Difference amounts from notes linked to shares, share indices, metals, currencies and the like which are not in advance guaranteed are not subject to EU Withholding Tax. Such difference amounts derived from notes linked to bonds or bond indices are not subject to EU Withholding Tax if the index or basket is comprised of minimum five differing bonds from differing 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 fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of minimum five differing 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, difference amounts 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 differing 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. Non-guaranteed income, like (non guaranteed parts of) difference amounts (difference amounts between issue price and redemption price respectively sale price) are treated as follows: If the underlying qualifies as bond, interest rate or inflation rate, then the difference amounts 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 difference amounts are not subject to EU Withholding Tax. If funds and fund indices are referred to as underlying, the difference amounts are 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 difference amounts derived therefrom are not subject to EU Withholding Tax, too.

## **FRANCE**

*This summary is based on the tax legislation, published case law, treaties, regulations and published policy in force as of the date of this Prospectus, although it does not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.*

*This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.*

### **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. In accordance with 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, would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of the Issuer not being resident of, or otherwise established in, France.

In accordance with another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific

provision in the *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax.

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 *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 *Code général des impôts*. If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favorable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes may no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 25 per cent or 50 per cent, subject to the more favorable provisions of an applicable double tax treaty, if any.

Notwithstanding the foregoing, neither the 50 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the ruling (*rescrit*) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (1) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority;  
or
- (2) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (3) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

## **Tax treatment of payments received by the Subscriber/Investor**

### **– Individuals**

For French resident individuals, payments relating to the Notes will be subject in France to personal income tax at a progressive rate from 5.5% to 41%. For Notes issued by an Issuer established in the European Economic Area, the French resident individual is eligible to make an option for a final levy at a rate of 19% instead of personal income tax. In both cases, social security tax will apply at the rate of 13.5%.

Capital gains on the transfer of the Notes will be subject to a final levy at a rate of 19%, whatever the amount of annual sale price by the French resident individual. A social security tax at the rate of 13.5% will also apply.

When French individual investors receive payments relating to a Note into accounts domiciled outside France in another European Union country, one of five non member countries (Switzerland, Andorra, Liechtenstein, Monaco or Saint-Martin) or one of ten UK or Dutch dependant or overseas territories, investors are advised to study the potential impact of the EC Council Directive 2003/48/EC on the taxation of savings income ("EU Saving Tax Directive n°2003/48"), which means that, in these countries or territories, withholding tax (35% as from 30 June 2011) will either be deducted at source or the tax authorities will be informed of the beneficiary's identity. Withholding tax can be refunded in France through the allowance of a tax credit.

For non-French resident individuals, the EC Council Directive 2003/48/EC on the taxation of savings income 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. "

### **– Legal entities**

Redemption premium, capital gains and other revenues with respect to Notes that constitute "*obligation*" under French law, are subject to corporate income tax at the standard rate.

## **European Directive on Taxation of Savings Income**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings **Directive**"), each Member State are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person (qualified as "paying agent") within its jurisdiction to, or collected by such a person for, an individual (qualified as "beneficial owner") resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such person, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information arrangements or transitional withholding arrangements with certain of

those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such person for, an individual resident in one of those territories.

The tax Savings Directive was implemented into French law under Article 242 ter of the French General Tax Code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and the total amount of the proceeds from sale, redemption or refund of debt claims of every kind realized by the beneficial owner during the calendar year.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented amend or broaden the scope of the requirements described above.

## ITALY

*The following is a brief summary of the tax regime relating to the purchase, holding, sale and exercise of the Italian Certificates, pursuant to the Italian applicable laws and regulations and the market practice, by investors who are individuals residing in Italy and not involved in carrying out business enterprises.*

*This summary does not aim at being an exhaustive analysis of all the tax implications deriving from the purchase, holding, sale and exercise of the Certificates and is written taking into account tax laws in force at the date of this Programme; it is, therefore, subject to possible changes that have a retroactive effect and is intended only as an introduction to the relevant issues.*

***Potential investors in the Certificates are therefore advised to consult their own tax advisors as to the Italian and other tax consequences of buying, holding or disposing of the Certificates.***

### General

Pursuant to Italian Legislative Decree 21st November, 1997, No. 461 payments in respect of Certificates qualifying as Securitised derivative financial instruments received by Certificateholders as well as capital gains realised by Italian resident individuals (not engaged in entrepreneurial activities to which the Italian Certificates are connected) on any sale or transfer for consideration of the Certificates or redemption or exercise thereof are subject to a 12.5% (20% starting from 1<sup>st</sup> January 2012) capital gain tax ("*imposta sostitutiva*").

Under the so called "tax declaration regime", which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (and other incomes) net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, the holders of the Certificates may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Certificates (*Risparmio Amministrato* tax regime). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with banks, SIMs (stock brokerage companies – *Società di Intermediazione Mobiliare*) and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the *Risparmio Amministrato* tax regime being timely made in writing by the relevant holder of the Certificates. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or

redemption of the Certificates, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the Certificates, deducting a corresponding amount from proceeds to be credited to the holder of the Certificates. Where a sale or transfer or redemption of the Certificates results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Certificates within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Risparmio Amministrato tax regime, the realised capital gain is not required to be included in the annual income tax return of the Certificateholder.

Special rules apply if the Certificates are part of a portfolio managed in a regime of Asset Management Option by an Italian asset management company or an authorised intermediary. In such case, the capital gains realised upon sale, transfer or redemption of the Certificates will not be subject to the imposta sostitutiva on capital gains but will contribute to determine the taxable base of the Asset Management Tax. In particular, under the Asset Management Option, capital gains accrued on the Certificates, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Also under the Asset Management Option the realised capital gain is not requested to be included in the annual income tax return of the Certificateholder and the Certificateholder remains anonymous.

It must however be noted that, according to a different interpretation of the applicable provisions in force, the Certificates, in case representing debt instruments implying a “use of capital”, could be qualified as “atypical security” and accordingly be subject to a 27 per cent (20 per cent starting from 1<sup>st</sup> January 2012) final withholding tax.

#### **Inheritance and gift tax**

Transfers of any valuable assets (including the Certificates) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- 4% if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1 mln. (per beneficiary);
- 6% if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- 6% if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- 8% in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1.5 mln.

#### **Transfer tax**

Transfer tax previously payable on generally the transfer of the Certificates, has been abolished. A EUR 168 registration tax may be applicable to the transfer of the Certificates under certain circumstances.

## **Tax Monitoring Obligations**

Italian resident individuals will be required to report in their yearly income tax return, according to Law Decree 28 June 1990, No. 167 converted into law by Law 4 August 1990, No. 227 for tax monitoring purposes:

- the amount of Certificates held at the end of each tax year, if exceeding in the aggregate EUR 10,000;
- the amount of any transfers from abroad, towards abroad and occurring abroad, related to the Certificates, occurring during each tax year, if these transfers exceed in the aggregate EUR 10,000. This also applies in the case that at the end of the tax year, Certificates are no longer held by Italian individuals.

Italian individuals will however not be required to comply with the above reporting requirements with respect to Certificates deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Instruments are received through the intervention of the same intermediaries.

## **European Withholding tax directive**

Italy has implemented the EU Directive No. 2003/48/EC regarding the taxation of savings income through Legislative Decree No. 84 of 18 April 2005.

## **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, 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 Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is levied at a rate of 35% since 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg

paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 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, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of 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.

## 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**), the 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:

- (i) 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;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions 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 Dealer or any additional dealers nominated by the Issuer for any such offer; or
- (iii) 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 (i) to (iii) above shall require the Issuer or the 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 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 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>12</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

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<sup>12</sup> Relevant if admission to trading on Euronext Paris is contemplated.

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 the Dealer can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the 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

To the extent that this prospectus has not been passported into Italy in accordance with the Prospectus Directive, the offering of the Notes is not registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Italian Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and in Articles 34-*ter* and 34-*quater* of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Articles 34-*ter* and 34-*quater* of Regulation No. 11971.

Any placement of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy 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 Italian Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Investors should also note that, to the extent that this prospectus has not been passported into Italy in accordance with the Prospectus Directive, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, 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 void and, in addition, to claim damages from any authorized 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 2011 Registration Document of Societe Generale Effekten GmbH dated 11 August 2011 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 2010 and 31 December 2009;
- the Issuer's unaudited interim financial statements as well as the management reports (with English translation thereof) for the half year ended 30 June 2011;
- the 2011 Registration Document of Societe Generale dated 13 July 2011 containing the Guarantor's audited financial statements as well as the management reports and cash-flow statements (with English translations thereof) for the years ended 31 December 2010 and 31 December 2009;
- the Guarantor's unaudited interim financial statements as well as the management reports (with English translation thereof) for the half year ended 30 June 2011;
- this Base Prospectus, any Supplement(s) and any supplementary information that the Issuer may be required to provide pursuant to Sec. 16 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 9 February 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 and its consolidated subsidiaries (taken as a whole) since their last respective audited financial statements dated 31 December 2010.

### **Significant change in the financial or trading position**

There has been no significant change in the financial or trading position of the Issuer and of the Guarantor and its consolidated subsidiaries (taken as a whole) since the end of their last respective financial period for which interim financial information dated 30 June 2011 has been published.

### **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 are pending or threatened.

The most significant litigation in which Societe Generale is currently involved is briefly described in the section headed "*Risks and disputes*" in the 2011 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 disputes*" 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, it shall be made 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>13</sup> by Moody's

A<sup>14</sup> by Standard & Poor's

A+<sup>15</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 Union 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>13</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>14</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>15</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.

**ISSUER****Société Générale Effekten GmbH**

Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**GUARANTOR****Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**ARRANGER, DEALER, AGENT AND PAYING AGENT****Société Générale**

Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**ADDITIONAL AGENT(S) AND/OR PAYING AGENT(S)****Société Générale,****Frankfurt am Main branch**

Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**Société Générale Bank & Trust**

11, avenue Emile Reuter  
L-2420 Luxembourg  
RCS Luxembourg B 6061

**LISTING AGENTS****Société Générale,****Frankfurt am Main branch**

Neue Mainzer Str. 46 - 50  
D-60311 Frankfurt am Main  
Germany

**Société Générale Bank & Trust**

11, avenue Emile Reuter  
L-2420 Luxembourg  
RCS Luxembourg B 6061

**Société Générale**

Tours Société Générale  
17 Cours Valmy  
92987 Paris la Défense Cedex  
France

**Société Générale**

Via Olona, 2  
20123 Milano  
Italy

**LEGAL ADVISERS**

*To the Issuer, the Guarantor and the Dealer  
as to German Law*

**BRP Renaud & Partner**

Niederuau 13 - 19  
D-60325 Frankfurt am Main  
Germany

**SIGNATURE PAGE**

Frankfurt am Main, 9 February 2012

**Société Générale Effekten GmbH**

**Frankfurt am Main**

sign. Dr. Joachim Totzke

sign. Jeanette Plachetka

**Société Générale**

**Paris**

sign. Dr. Joachim Totzke

sign. Jeanette Plachetka

**Annex to the Debt Issuance Programme Prospectus der Société Générale Effekten GmbH of 9 February 2012**

Übersetzung aus der englischen Sprache

**GARANTIEURKUNDE**

Société Générale Effekten GmbH  
Neue Mainzer Straße 46 - 50  
60311 Frankfurt am Main

**Garantie auf erstes Anfordern**

Im Rahmen ihres Debt Issuance Programme mit einem Volumen von EUR 30.000.000.000,00 (das „**DIP**“) kann die Société Générale Effekten GmbH (der „**Emittent**“) Noten und Zertifikate (die „**Schuldtitel**“) in einem Volumen von bis zu EUR 30.000.000.000,00 (dreißig Milliarden Euro) oder dem entsprechenden Gegenwert in einer anderen Währung gemäß dem Basisprospekt für Noten und Zertifikate vom 9. Februar 2012 (der „**DIP-Prospekt**“) ausgeben, der dem deutschen Wertpapierprospektgesetz entspricht, mit dem die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (die „**Prospektrichtlinie**“) in deutsches Recht umgesetzt wird.

Société Générale (der „**Garantiegeber**“) garantiert hiermit unbeding und unwiderruflich zugunsten der Inhaber von Schuldtiteln, die gemäß dem DIP-Prospekt zwischen dem 9. Februar 2012 und dem 9. Februar 2013 ausgegeben wurden, die ordnungsgemäße und pünktliche Zahlung aller fälligen und zahlbaren Beträge und/oder die ordnungsgemäße und pünktliche physische Lieferung von Wertpapieren, die gemäß den jeweiligen Bestimmungen von seitens des Emittenten ausgegebenen Schuldtiteln zu liefern sind (die „**Verpflichtungen**“), soweit am Ausgabebetag der betreffenden Schuldtitel (A) die Gesamt-Nennbeträge dieser Schuldtitel und (B) sämtliche Gesamt-Nennbeträge von vom Emittenten ausgegebenen Schuldtiteln, die am betreffenden Ausgabebetag ausstehen, jeweils zum Devisenkassakurs an dem betreffenden Ausgabebetag in Euro umgerechnet, einschließlich der nach früheren DIP-Prospekten (die „**früheren Prospekte**“) ausgegebenen Schuldtitel, EUR 30.000.000.000,00 (dreißig Milliarden Euro) (die „**Garantiehöhe**“) nicht übersteigt.

Wenn der Emittent mit der pünktlichen Zahlung und/oder physischen Lieferung von Wertpapieren für sämtliche Verpflichtungen oder einen Teil davon in Verzug gerät, wird der Garantiegeber sämtliche Zahlungen auf erstes Anfordern vornehmen bzw. sämtliche Wertpapiere auf erstes Anfordern physisch liefern, vorausgesetzt

- die Anforderung ergeht per Einschreiben mit Rückschein an den Garantiegeber und darin wird bestätigt, (i) dass die Zahlung der geforderten Beträge bzw. die physische Lieferung von Wertpapieren im Rahmen dieser Garantie garantiert ist und (ii) die Voraussetzungen für die Zahlung bzw. Lieferung erfüllt sind und (iii) der Emittent die geforderten Zahlungen noch nicht geleistet bzw. die betreffenden Wertpapieren noch nicht physisch geliefert hat,
- der Garantiegeber ist verpflichtet, die geforderten Beträge zu zahlen bzw. die geforderten Wertpapiere zu liefern, ohne Einwendungen erheben zu können, insbesondere aufgrund des früheren oder künftigen Verhältnisses zwischen den Inhabern von Schuldtiteln und dem Emittenten.

Für vor dem Datum dieser Garantie gemäß früheren Prospekten ausgegebene Schuldtitel gelten nach wie vor die von der Société Générale für die betreffenden Schuldtitel gegebenen Garantien.

Diese Garantie tritt am Tag der Unterzeichnung dieser Urkunde in Kraft und gilt bis zur vollständigen oder teilweisen Zahlung bzw. Lieferung auf alle gemäß den vom Emittenten ausgegebenen Schuldtiteln fälligen Verpflichtungen.

Diese Garantie begründet eine unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeit des Garantiegebers und ist gleichrangig mit allen anderen bestehenden und künftigen unmittelbaren, unbedingten, nicht besicherten und nicht nachrangigen Verbindlichkeiten des Garantiegebers, ausgenommen derzeit gesetzlich vorgeschriebene Vorrangstellungen.

Falls der Emittent gemäß den Bestimmungen von Schuldtiteln durch eine Tochter des Garanten (der „**neue Emittent**“) ersetzt wird, erstreckt sich diese Garantie auf alle vom neuen Emittenten gemäß den Bestimmungen dieser Schuldtitel zu zahlenden Beträge.

Diese Garantie und alle sich daraus oder im Zusammenhang damit ergebenden nicht-vertraglichen Verpflichtungen unterliegen französischem Recht und sind dementsprechend auszulegen. Für sämtliche Streitigkeiten, die sich aus ihrer Gültigkeit, Auslegung oder Erfüllung ergeben oder damit zusammenhängen, ist ausschließlich das *Tribunal de Commerce de Paris* in Frankreich zuständig.

Paris, 9. Februar 2012

Für

**SOCIÉTÉ GÉNÉRALE**

**Name:**

**Position:**

**SG Corporate & Investment Banking**