



Final Terms dated 28 April 2016

Issue of 3,000 “Tracker Exane US REITs (RI) Open End” Certificates
indexed to the Exane US REITs (RI) Index

pursuant to the Debt Securities Issue Programme of
EXANE FINANCE

unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES

Series n°: 10683
Tranche n°: 1

Issue Price: EUR 1,000 per Certificate
Scheduled Maturity Date: undated perpetual Certificates with no fixed Maturity Date

An application has been made for the Certificates to be admitted to trading and listed on the Multilateral Trading
Facility denominated EuroTLX organised and managed by EuroTLX SIM S.p.A.

EXANE DERIVATIVES
as Dealer

Part A – Contractual Terms

Unless otherwise required by the context, the terms and expressions used and not expressly defined in these Final Terms shall have the same meaning as in the Conditions of the Securities and the Technical Annex set forth in the Base Prospectus dated as of 24 June 2015, as supplemented by the First Supplement dated as of 25 August 2015, the Second Supplement dated as of 03 November 2015, the Third Supplement dated as of 11 January 2016, the Fourth Supplement dated as of 18 January 2016 and the Fifth Supplement dated as of 5 April 2016 (together, the "Supplements").

The Base Prospectus and the Supplements constitute together a base prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in Luxembourg. The present document constitutes the Final Terms of the Certificates described herein for the purposes of article 5.4 of the Prospectus Directive and the relevant implementing measures in Luxembourg.

The Final Terms must be read in conjunction with the Base Prospectus, as supplemented. 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, as supplemented.

The Base Prospectus and its Supplements are available on the website of Exane (www.exane.com/exaneissues). A summary of the issue of the Securities is attached as a schedule to these Final Terms. The Base Prospectus, the Supplements and these Final Terms are available for inspection and copies may be obtained from the registered office of the Issuer and the registered office of the Principal Paying Agent.

GENERAL PROVISIONS

1.	Calculation Agent :	Exane Derivatives
2.	Settlement Confirmation Agent :	Not applicable
3.	Currency:	Euro ("EUR")
4.	Settlement Currency(ies):	EUR
	(a) Conversion Rate:	Not applicable
5.	Issue Size:	
	(a) Series :	3,000 Certificates
	(b) Tranche :	3,000 Certificates
6.	Nominal Value :	Not applicable
7.	Issue Price :	EUR 1,000 per Certificate
8.	Trade Date:	13 April 2016
9.	Issue Date :	28 April 2016
10.	Interest Commencement Date:	Not applicable
11.	Scheduled Maturity Date :	The Certificates are undated perpetual Certificates and have no fixed Maturity Date, but may be called at the option of the Issuer or of a Holder under certain circumstances as described below in Part

		A§(53) and Part A§(54).
12.	Maturity Date:	The Scheduled Maturity Date
13.	Minimum Trading Number:	One (1) Certificate minimum and multiples of one (1) Certificate thereafter
14.	Interest Basis:	Not applicable
15.	Settlement Basis:	Settlement linked to Indices The Optional Settlement Amount will be determined by reference to the Index by way of Cash Settlement.
16.	Change of Interest Basis:	Not applicable
17.	Business Day Convention:	Following Business Day
18.	Multi Underlyings :	Not applicable
19.	Basket of Multi Underlyings:	Not applicable
20.	Type(s) of Underlying	
	Underlying(s) Share(s)	Not applicable
	Underlying(s) Index(es)	Applicable
	(a) Index(es) :	The Exane US REITs (RI) Index (a “ Proprietary Index ”)
	(b) Quantity :	1
	(c) Weighting / W(i) :	Not applicable
	(d) Sponsor(s) :	Exane Derivatives
	(e) Index Adviser:	Not applicable
	(f) Exchange(s) :	Not applicable
	(g) Related Exchange(s)	In accordance with Condition 5.8 A (iv)
	(h) Exchange Business Day :	Exchange Business Day (Single Index Basis) in accordance with Condition 5.8 A (iv)
	(i) Scheduled Trading Day :	Scheduled Trading Day (Single Index Basis) in accordance with Condition 5.8 A (iv)
	(j) Valuation Time :	In accordance with Condition 5.8 A (iv)
	(k) Reuters Code(s):	Not applicable
	(l) Bloomberg Code(s):	EXDMREIT

(m)	ISIN Code(s):	Not applicable
	Underlying(s) Futures Contract(s)	Not applicable
	Underlying(s) Fund Units	Not applicable
	Underlying(s) Exchange Rate	Not applicable
	Underlying(s) Debt Instrument(s)	Not applicable
	Underlying(s) Listed Option(s)	Not applicable
	Underlying(s) Commodity(ies)	Not applicable
21.	Securities linked to Credit Events (Types of CLN or Types of Credit Linked Portion)	Not applicable
22.	Credit Linked Portion:	Not applicable
23.	Underlying-Linked Portion:	Not applicable
INTEREST PROVISIONS		
24.	Ex-Date (Condition 1.1):	Not applicable
25.	Fixed Rate Interest provisions (Condition 4.1):	Not applicable
26.	Floating Rate Interest provisions (Condition 4.2):	Not applicable
27.	Zero Coupon provisions (Conditions 4.4 and 5.6):	Not applicable
28.	Provisions relating to Securities linked to one or more Underlying(s) :	Not applicable
29.	Late payment/delivery interest (Condition 13) :	EONIA rate
PROVISIONS RELATING TO SETTLEMENT		
30.	Final Settlement Amount of the Certificates (Condition 5.2):	Not applicable Please refer to the Part A§(53) Settlement Option at the Issuer's discretion and to Part A§(54) Settlement Option at the Holder's discretion
31.	Final Settlement Amount for CLN (Conditions 6 and 7)	Not applicable
32.	Final Settlement Amount for Hybrid Securities (Conditions 6 and 7)	Not applicable

SPECIFIC CREDIT LINKED NOTE OR CREDIT LINKED PORTION OF HYBRID SECURITIES PROVISIONS

33.	Tranched CLN	Not applicable
34.	Credit Event(s) (Condition 1.2 or 1.3):	Not applicable
35.	Portion affected by a Credit Event (Condition 1.2 or 1.3):	Not applicable
36.	Notice Delivery Period	Not applicable
37.	Grace Period (Condition 1.2 or 1.3):	Not applicable
38.	Grace Period Extension (Condition 6.1(ii)):	Not applicable
39.	Obligation Category (Condition 1.2 or 1.3):	Not applicable
40.	Obligation Characteristics (Condition 1.2 or 1.3):	Not applicable
41.	Excluded Obligation (Condition 1.2 or 1.3):	Not applicable
42.	Deliverable Obligation	Not applicable
43.	Excluded Deliverable Obligations (Condition 1.2 or 1.3):	Not applicable
44.	Include Accrued Interest	Not applicable
45.	Reference Entity / Reference Entities (Condition 1.2 or 1.3):	Not applicable
46.	Additional provisions relating to certain specific Reference Entities	Not applicable
47.	Reference Obligation(s) (Condition 1.2 or 1.3):	Not applicable
48.	All Guarantees (Condition 1.2 or 1.3):	Not applicable
49.	Cash Settlement (Condition 6.4):	Not applicable
50.	Physical Settlement (Condition 6.5):	Not applicable
51.	Auction Settlement (Condition 6.3):	Not applicable

EARLY SETTLEMENT AND OPTIONAL SETTLEMENT PROVISIONS

52.	Automatic Early Settlement (Condition 5.16):	Not applicable
53.	Settlement Option at the Issuer's discretion (Condition 5.4):	Applicable

(a)	Optional Settlement Date(s):	Ten (10) Business Days after Issuer's Optional Exercise Date
(b)	Reference Date for the Issuer :	25 April 2022
(c)	Optional Settlement Amount(s) :	Delta One Settlement Amount (§8 b. iii. of the Technical Annex of the Base Prospectus, as supplemented, and as detailed in §4 of the Technical Annex of these Final Terms)
(d)	Partial Settlement:	Not applicable
(e)	Notice period (if different from the period specified in the Conditions) :	On any Business Day starting on the Reference Date for the Issuer, the Issuer may notify the exercise of his option to redeem all the Certificates at the Optional Settlement Amount by sending a notice to the Principal Paying Agent and to the Holders (published by the central depository) and within a minimum period of five (5) calendar days between the date of the publication and the exercise date (the “ Issuer's Optional Exercise Date ”)
(f)	Option Trigger:	Not applicable
(g)	Cash Settlement and/or Physical Settlement:	Cash Settlement
- 54. Settlement Option at the Holder's discretion (Condition 5.5):** Applicable
- | | | |
|-----|---|--|
| (a) | Optional Settlement Date(s) : | Ten (10) Business Days after the date of exercise of the Holder's option (as such date is specified in Condition 5.5) |
| (b) | Reference Date for the Holder: | 25 April 2022 |
| (c) | Optional Settlement Amount(s) : | Delta One Settlement Amount (§8 b. iii. of the Technical Annex of the Base Prospectus, as supplemented, and as detailed in §4 of the Technical Annex of these Final Terms) |
| (d) | Notice period: | As per Condition 5.5 |
| (e) | Cash Settlement and/or Physical Settlement: | Cash Settlement |
- 55. Information relating to Settlement by Instalments (Condition 5.3):** Not applicable
- 56. Information relating to Partly Paid Certificates / CLN or Hybrid Securities (Condition 5.17):** Not applicable

MARKET DISRUPTION AND ADJUSTMENTS

57.	Capitalised Fair Market Value Option (Conditions 5.7 to 5.14):	Not applicable
58.	Adjustment Methods	Applicable
	Index	All

PLEDGING OF SECURITIES ACCOUNT

59.	Additional guarantee in the form of a pledging of securities account (Condition 3.3):	Not applicable

OTHER GENERAL PROVISIONS

60.	Form of the CLN/Hybrid Securities (Condition 2.2):	Not applicable
61.	Form of the Certificates (Condition 2.2):	
	(f) Form of the Certificates :	Bearer
	(g) Registrar:	Not applicable
62.	Additional Financial Market(s) (Condition 13.4):	Not applicable
63.	Provisions governing redenomination, changes in Nominal Value and conventions (Condition 2.5):	Not applicable

Signed on behalf of the Issuer

By : Virginie AMICO
Head of Legal

Duly authorised

Signed on behalf of the Guarantor

By : Christine VU-THIEN
Head of Transversal Derivatives Projects

Duly authorised

PART B – OTHER INFORMATION

1. Listing and Admission to Trading

- (a) Listing application and admission to trading: Application has been made by the Issuer (or on his behalf) for the Certificates to be listed and admitted to trading on the Multilateral Trading Facility denominated EuroTLX organised and managed by EuroTLX SIM S.p.A. No assurance can be given that the listing and admission to trading of the Securities will be authorised.
- (b) Estimate of total expenses related to admission to trading: Not applicable.

2. Rating

The Securities to be issued have not been rated.

3. Third Party Information

Information contained in the Final Terms that is sourced from a third party has been accurately reproduced and, as far as the Issuer and the Guarantor are aware and are able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

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

So far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds

- (a) Reasons for the offer and use of proceeds: The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from each issue of Securities will be used to establish various hedging financial instruments in respect of such Securities.
- (b) Estimated total expenses: Not applicable
- (c) Estimated net proceeds: Not applicable

6. Fixed Rate Securities Only – Yield

Not applicable

7. Floating Rate Securities Only – Historical Interest Rate

Not applicable

8. Placement and Subscription

As of the Issue Date, it is not expected that any placement fees will be payable to third parties in connection with the placement of these Certificates.

9. Source of Information about the Past and the Future Performance of the Underlying(s) and its Volatility, Explanation of Effect on Value of Investment and Associated

Information concerning the Index can be found on Bloomberg and on the website of the Sponsor.

The composition of the Index as of 04 April 2016 (the last Rebalancing Date) is the following:

Name	Isin code	Weight (in %)
AvalonBay Communities Inc	US0534841012	5.8824
Coresite Realty Corp	US21870Q1058	5.8824
CubeSmart	US2296631094	5.8824
CyrusOne Inc	US23283R1005	5.8824
Essex Property Trust Inc	US2971781057	5.8824
Extra Space Storage Inc	US30225T1025	5.8824
Gaming and Leisure Properties Inc	US36467J1088	5.8824
Host Hotels & Resorts Inc	US44107P1049	5.8824
LTC Properties Inc	US5021751020	5.8824
National Retail Properties Inc	US6374171063	5.8824
Omega Healthcare Investors Inc	US6819361006	5.8824
Public Storage	US74460D1090	5.8824
Realty Income Corp	US7561091049	5.8824
Regency Centers Corp	US7588491032	5.8824
Tanger Factory Outlet Centers Inc	US8754651060	5.8824
VEREIT Inc	US92339V1008	5.8824
Weingarten Realty Investors	US9487411038	5.8824

Information about the past and the future performance of the Index and its volatility may be obtained in electronic format from the Calculation Agent.

10. Practical Information

Central depository	Monte Titoli S.p.A. Express II, Euroclear France, Clearstream
ISIN Code:	FREXA0001174
Common Code:	139944593
Telekurs Code and other code(s) :	Telekurs code: 31612435

Paying Agent(s) details : Not applicable

Fees: Not applicable

11. Placement

Name of Dealer : Exane Derivatives
16, avenue Matignon – 75008 Paris – France

Non-exempt Offer Not applicable

Consent of the Issuer to use the Base Prospectus during the Offer Period: Not applicable

Authorised Institution(s): Not applicable

Additional conditions relating to consent of the Issuer to use the Base Prospectus: Not applicable

12. Non-exempt Offer Not applicable

TECHNICAL ANNEX TO THE FINAL TERMS

The present Technical Annex includes the necessary parameters to the use of the pay-off formulas (each, a Pay-Off Formula) used in Part A (Contractual Terms) of the Final Terms in order to determine an interest amount, an early settlement amount or a final settlement amount payable on a Security.

All the information set out in this Technical Annex to the Final Terms refers to the calculation formulae and the concept as the Pay-Off Formulae, the Underlying Values, the Applicable Values and the Applicable Conditions used in the Technical Annex to the Base Prospectus.

Optional Settlement Amount

The Optional Settlement Amount at the Issuer's discretion and the Optional Settlement Amount at the Holder's discretion are both Delta One Settlement Amount, determined in accordance with the following formula:

$$EUR\ 1,000 \times \text{Max} [0\% ; S_{\text{Final}} / S_{\text{Initial}} - SF \times T/365]$$

With

S_{initial} is equal to EUR 1,000

S_{Final} is the value of the Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Numerator on the Determination Date and based on the Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Numerator determined on the immediately preceding Determination Date(t) as follow:

$$S_{(t)} = S_{(t-1)} \times [(RV_{(t)} / RV_{(t-1)}) \times (FX_{(t)} / FX_{(t-1)}) + (1 + (\text{Euribor}_{(t-1)} + \text{BasisSwap}) \times dt_{(t-1)} / 360) / (1 + \text{USDLibor}_{(t-1)} \times dt_{(t-1)} / 360) - FX_{(t)} / FX_{(t-1)}]$$

The concepts used to determine the Optional Settlement Amount at the Issuer's discretion and the Optional Settlement Amount at the Holder's discretion are detailed hereafter.

1. DEFINITIONS

a. Applicable Value Determination Dates

Initial Determination Date: 25 April 2016

Determination Date: five (5) Business Days after the Issuer's Optional Exercise Date with respect to Optional Settlement Amount at the Issuer's discretion or five (5) Business Days after the date of exercise of the Holder's option with respect to Optional Settlement Amount at the Holder's discretion.

Determination Date(t) : means each monthly dates following the Initial Determination Date. For information purposes, the first Determination Dates(t) are indicated in the table below, and the last Determination Date(t) will be the Determination Date.

(t)	Determination Date(t)	(t)	Determination Date(t)
0	25 April 2016	37	28 May 2019
1	25 May 2016	38	25 June 2019
2	27 June 2016	39	25 July 2019
3	25 July 2016	40	26 August 2019
4	25 August 2016	41	25 September 2019
5	26 September 2016	42	25 October 2019
6	25 October 2016	43	25 November 2019
7	25 November 2016	44	27 December 2019
8	27 December 2016	45	27 January 2020
9	25 January 2017	46	25 February 2020
10	27 February 2017	47	25 March 2020
11	27 March 2017	48	27 April 2020

12	25 April 2017	49	26 May 2020
13	25 May 2017	50	25 June 2020
14	26 June 2017	51	27 July 2020
15	25 July 2017	52	25 August 2020
16	25 August 2017	53	25 September 2020
17	25 September 2017	54	26 October 2020
18	25 October 2017	55	25 November 2020
19	27 November 2017	56	28 December 2020
20	27 December 2017	57	25 January 2021
21	25 January 2018	58	25 February 2021
22	26 February 2018	59	25 March 2021
23	26 March 2018	60	26 April 2021
24	25 April 2018	61	25 May 2021
25	25 May 2018	62	25 June 2021
26	25 June 2018	63	26 July 2021
27	25 July 2018	64	25 August 2021
28	27 August 2018	65	27 September 2021
29	25 September 2018	66	25 October 2021
30	25 October 2018	67	26 November 2021
31	26 November 2018	68	27 December 2021
32	27 December 2018	69	25 January 2022
33	25 January 2019	70	25 February 2022
34	25 February 2019	71	25 March 2022
35	25 March 2019	72	25 April 2022
36	25 April 2019	...	...

b. Parameters for Calculation of determined variables

- i. Annual Costs: as set out in §3.b below, under item “F”
- ii. Calculation Day: calendar days
- iii. Floor: 0 %

2. OBSERVED APPLICABLE VALUES

Foreign Exchange Rate

Currency pair: USD/EUR

Y: EUR

X: US Dollars («USD»)

Observation Date : Determination Date(t)

Bloomberg page : WMCO Curncy

Time : on or about 5:00 p.m. (Frankfurt time)

N : Five (5)

3. DETERMINED APPLICABLE VALUES

a. General Definitions for Determined Applicable Values

Performance $[(RV_{(t)} / RV_{(t-1)})]$

Applicable Value(t): the official level of the Index at the close on the Determination Date(t)

Applicable Value(t'): the official level of the Index at the close on the Determination Date(t-1)

For information purpose, $RV_{(0)}$ is the official level of the Index on the close on the Initial Determination Date.

Floored Value $[\text{Max } [0\% ; S_{\text{Final}} / S_{\text{Initial}} - SF \times T/365]]$

Applicable Value: Added Costs Net Value

b. Determined calculation Applicable Values for Applicable Values

Added Costs Net Value

Applicable Value: the Ratio between two Applicable Values

- Applicable Value(1): the Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Numerator determined on the Determination Date [S_{Final}]
- Applicable Value(2): EUR 1,000 [$S_{Initial}$]

Where:

“F”: 1.00% (corresponding to the structuring fees) [SF]

“B”: 365

“t”: the number of Calculation Days between the Initial Determination Date (excluded) and the Determination Date (included) [T]

c. Strategy

Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Numerator

$$Strategy_t = Strategy_{t-1} \times \left[\frac{\frac{FX_t}{FX_{t-1}} \times PerfDriver_t}{1 + \frac{(MonetaryReferenceRate(1)_{t-1} + BasisSwap) \times \frac{\Delta(t-1,t)}{B}}{1 + MonetaryReferenceRate(2)_{t-1} \times \frac{\Delta(t-1,t)}{B}}} - \frac{FX_t}{FX_{t-1}} \right]$$

Where:

“PerfDriver_t” means the Performance

“FX_t” means the Foreign Exchange Rate on the Determination Date(t).

“MonetaryReferenceRate(1)t” is the Euribor 1 month rate set at 11:00 (Paris Time) on the Determination Date(t)

“MonetaryReferenceRate(2)t” is the USD Libor 1 month rate set at 11:00 (London Time) on the Determination Date(t)

“BasisSwap” is equal to -0.40%

“ $\Delta(t-1,t)$ ” means the number of Calculation Days between the Determination Date(t-1) (exclusive) and the Determination Date(t) (inclusive).

“B”: 360

4. SETTLEMENT

Early settlement and optional settlement provisions (Part A, § 52(c), 53(c) and 54(c) of the Final Terms)

Optional Settlement Amount

Delta One Settlement Amount

Applicable Values: the Product of two Applicable Values

- Applicable Value(1): EUR 1,000
- Applicable Value(2): Floored Value

SUMMARY OF THE ISSUE

Summaries are made up of disclosure requirements known as Element, the communication of which is required by Annex XXII of the Commission Regulation (EC) No 809/2004 as modified. These Elements are numbered in sections A - E (A.1 – E.7).

This summary contains all of the Elements to be included in a summary for this type of Securities, Issuer and Guarantor. The numbering of the Elements may be out of sequence due to the fact that certain Elements do not need to be included.

Although an Element may be required to be included in the summary for the particular type of security or issuer, it may be that no pertinent information is available on such Element. In such case, a brief description of the Element is included in the summary followed by the words "Not applicable".

Section A – Introduction and warnings

Element	
A.1 Warning	This summary should be read as an introduction to the Base Prospectus as supplemented by any supplement relating thereto, if any (the Base Prospectus). Any decision to invest in securities should be based on a consideration of the Base Prospectus as a whole by the investors. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2 Consent to use of the Base Prospectus	Not applicable.

Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Exane Finance SA (the Issuer).
B.2	Domicile, legal form of the Issuer/Legislation and country of incorporation of the Issuer	Domicile: 16, avenue Matignon - 75008 Paris Legal form: public limited company (<i>société anonyme</i>)

Element	Title	
		Legislation: French law Country of incorporation: France
B.4b	A description of all known trend information affecting the Issuer and the markets in which it operates	Not applicable. There are no trends affecting the Issuer and the business sectors in which it operates.
B.5	Description of the Issuer's Group and its position within the Group	The Issuer has no subsidiaries. Exane Finance is a subsidiary 99.9% owned by Exane SA and is a fully consolidated company. Exane Finance forms part of the Group: a simplified Group structure chart appears below. Group means Exane SA and any direct or indirect subsidiary (as defined in article L.233-1 of the French commercial code) of Exane SA.
EXANE'S GROUP ORGANIZATION CHART As of 12/23/2015 <pre>graph TD PV[PARTNERS VERNER 50% (60% of voting rights)] --> VI[VERNER INVESTISSEMENTS (Investment Holding Company)] BP[BNP PARIBAS 50% (40% of voting rights)] --> VI VI -- 99.9% --> ESA[EXANE SA (Paris) (Regulator: ACPR, AMF) - Equity (cash equities, financial research & analysis) Rep office: Stockholm Branches: Milan, Geneva, Francfort, Madrid Regulators: CONSOB, FINMA, BAFIN, CNMV] ESA -- 79% --> EAM[EXANE ASSET MANAGEMENT (Paris) (Regulator: AMF) - Asset management] PV -- 21% --> EAM EAM -- 100% subsidiary --> EAM_Lux[EXANE ASSET MANAGEMENT Lux (Luxembourg) (Regulator: CSSF) - Asset Management] ESA -- 99.99% --> EP[EXANE PARTICIPATIONS (Paris)] ESA -- 99.99% --> EDG[EXANE DERIVATIVES GERANCE (Paris)] ESA -- 99.99% --> ED[EXANE DERIVATIVES (Paris) (Regulator: ACPR, AMF) - Derivatives Products (listed products, structured products, derivatives research) Branches: Milan, Geneva] ED -- 99.9% subsidiary --> EAM2[ELLIPSIS ASSET MANAGEMENT (Paris) (Regulator: AMF)] ESA -- 99.99% --> EF[EXANE FINANCE (Paris) (Regulator: ACPR, AMF) - Structured products issuer] ESA -- 100% --> ELT[EXANE LTD (Londres) (Regulator: FCA) - Equities (cash equities, equity research) Branch: Singapour (Regulator: MAS) - Rep office: Shanghai (Regulator: CSRC)] ESA -- 100% --> EIN[EXANE INC (New York) (Regulator: SEC, FINRA) - Equity and derivatives (brokerage, research)]</pre>		
B.9	Profit forecast or estimate	Not applicable. There are no profit forecasts or estimates.
B.10	Qualifications in the auditor's report	Not applicable. There are no qualifications in the statutory auditors' reports on the financial years ending 31 December 2013 and 31 December 2014.
B.12	Key historical financial information	Exane Finance

Element	Title					
		In K€	31 Dec. 2013	30 June 2014 (unaudited)	31 Dec. 2014	30 June 2015 (unaudited)
		Net banking income	1,752	1,275	2,388	1,306
		Operating profit	1,680	1,235	2,300	1,259
		Net profit	1,120	824	1,534	839
		Total Assets	9,757,813	12,135,689	14,167,342	16,169,350
		Total Shareholder's Equity	3,762	3,467	7,169	6,569
		There has been no material adverse change in the Issuer's prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Issuer since 30 June 2015.				
B.13	Recent events particular to the Issuer which are to a material extent relevant to evaluating the Issuer's solvency.	Not applicable. There are no recent events affecting the Issuer that are materially relevant to evaluating its solvency.				
B.14	Extent of dependency of the Issuer with regard to other entities in the Group.	Please also refer to Element B.5 above. The Issuer is 99.99% owned by Exane SA.				
B.15	Issuer's principal activities	Pursuant to article 2 of its by-laws, the Issuer's main activity, within the limits set forth by legal and regulatory provisions applicable to financial companies and "<i>subject to the provisions of the last sub-paragraph of this article:</i> – to provide, both in France and outside France, investment services, services related to investment services as defined by applicable regulations, and banking operations, including intermediation in banking transactions, the receipt of funds from the public, credit operations and the issue of securities, and activities related to banking operations, and all financial activities not prohibited by the applicable regulations; – to participate, both in France and outside France, in all commercial, financial, industrial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism ; The Company shall perform these activities which are subject, under the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company." The Issuer is therefore authorised to carry on credit and guarantee services complementary to these services as an investment services provider. in				

Element	Title	
		relation to dealing on own account, portfolio management, underwriting and (guaranteed and non-guaranteed) placement. The Issuer's main activity is issuing debt securities (including certificates and bonds) and warrants. Such issues are generally underwritten by Exane Derivatives SNC which is responsible for placement with investors and managing positions. It should be noted that investment services relating to underwriting and placement are authorised only in connection with the issuance of warrants and debt securities (bonds and certificates). The Issuer has also issued a declaration concerning freedom of services throughout the territories of the following countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Spain, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, the Czech Republic, Romania, the United Kingdom, Slovakia, Slovenia and Sweden.
B.16	Entity(ies) or person(s) directly or indirectly holding or controlling the Issuer.	As at 31 December 2014, the Issuer's shares are distributed as follows: 319.988 shares held by Exane SA 1 share held by Nicolas Chanut 1 share held by Exane Derivatives SNC 1 share held by Bertrand Léonard 1 share held by Exane Limited 1 share held by Benoît Catherine 1 share held by Exane Derivatives Gérance SA Exane Finance SA has no subsidiaries. Exane Finance SA is a subsidiary 99.9% owned directly by Exane SA and is a fully consolidated company.
B.17	Rating assigned to the Issuer or its debt securities	Not applicable. Exane Finance SA has not been rated. Not applicable. The Securities have not been rated.
B.18	Nature and scope of the guarantee	Each Security shall be guaranteed by Exane Derivatives SNC (the Guarantor). The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any and all amounts due by the Issuer in respect of the Securities as and when the same shall become due and payable (the Exane Guarantee). The Exane Guarantee given by

Element	Title	
		the Guarantor on the Securities shall constitute a direct, unsubordinated obligation of the Guarantor and shall rank equally (<i>pari passu</i>) with its other direct, unconditional and unsubordinated obligations, both present and future (with the exception of preferred obligations under the law). Certain issues may benefit from an additional guarantee in the form of a pledging of securities account in accordance with article L. 211-20 and articles D. 211-10 <i>et seq.</i> of the French monetary and financial code (the Pledge). This Pledge shall be granted by Exane Derivatives SNC (the Pledgor) for the benefit of the Holders. The relevant Final Terms shall specify whether the relevant Securities have the benefit of a Pledge. The statement of pledge shall indicate, in particular, the debt secured by the Pledge (the Secured Debt) as well as the nature and number of financial instruments recorded in the pledged account (the Eligible Financial Instruments) as of the date of delivery of such statement.
B.19	Information concerning the Guarantor	
B.19/B.1	<i>The legal name and commercial name of the Guarantor</i>	The Guarantor's legal name is Exane Derivatives SNC.
B.19/B.2	<i>The registered office and legal form of the Guarantor/governing law and country of incorporation of the Guarantor</i>	Domicile: 16, avenue Matignon - 75008 Paris Legal form: <i>société en nom collectif</i> Legislation: French law Country of incorporation: France
B.19/B.4b	<i>A description of all known trend information affecting the Guarantor and the markets in which it operates</i>	Not applicable. There are no trends affecting the Guarantor and the business sectors in which it operates.
B.19/B.5	<i>Description of the Guarantor's Group and its position within the Group</i>	Exane Derivatives SNC has two subsidiaries, each 99.9% owned : Ellipsis Asset Management and Exane Options. Exane Derivatives SNC is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company. Exane Derivatives SNC forms part of the Group: a simplified Group structure chart appears in Element B.5 above. Group means Exane SA and any direct or indirect subsidiary (as defined in article L.233-1 of the Commercial Code) of Exane SA.
B.19/B.9	<i>Profit forecast or estimate</i>	Not applicable. There are no profit forecasts or estimates.
B.19/B.10	<i>Qualifications in the auditor's report</i>	Not applicable. There are no qualifications in the Statutory Auditors' reports on the financial years ending 31 December 2013 and 31 December

Element	Title																															
		2014.																														
B.19/B.12	Key historical financial information	Exane Derivatives SNC <table><tr><th>In K€</th><th>31 Dec. 2013</th><th>30 June 2014</th><th>31 Dec. 2014</th><th>30 June 2015 (unaudited)</th></tr><tr><td>Net banking income</td><td>125,645</td><td>81,415</td><td>145,231</td><td>101,535</td></tr><tr><td>Operating profit</td><td>36,119</td><td>29,786</td><td>43,441</td><td>44,220</td></tr><tr><td>Net profit</td><td>26,616</td><td>22,957</td><td>33,536</td><td>33,093</td></tr><tr><td>Total Assets</td><td>13,770,175</td><td>16,643,898</td><td>18,676,613</td><td>21,083,234</td></tr><tr><td>Total Shareholder's Equity</td><td>45,667</td><td>68,624</td><td>79,203</td><td>79,525</td></tr></table> There has been no material adverse change in the Guarantor’s prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Guarantor since 30 June 2015.	In K€	31 Dec. 2013	30 June 2014	31 Dec. 2014	30 June 2015 (unaudited)	Net banking income	125,645	81,415	145,231	101,535	Operating profit	36,119	29,786	43,441	44,220	Net profit	26,616	22,957	33,536	33,093	Total Assets	13,770,175	16,643,898	18,676,613	21,083,234	Total Shareholder's Equity	45,667	68,624	79,203	79,525
In K€	31 Dec. 2013	30 June 2014	31 Dec. 2014	30 June 2015 (unaudited)																												
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Total Shareholder's Equity	45,667	68,624	79,203	79,525																												
B.19/B.13	Recent events particular to the Guarantor which are to a material extent relevant to evaluating the Guarantor's solvency.	Not applicable. There are no recent events affecting the Guarantor that are materially relevant to evaluating its solvency.																														
B.19/B.14	Extent of dependency of the Guarantor with regard to other entities in the Group.	Please also refer to Element B.19/B.5 above. The Guarantor is 99.99% owned by Exane SA.																														
B.19/B.15	Principal activities of the Guarantor	Pursuant to article 2 of its by-laws, the Guarantor’s corporate objects are, "within the limits set forth by legal and regulatory provisions applicable to financial companies and subject to the provisions of the last sub-paragraph of this article: –to provide, both in France and outside France, investment services, services related to investment services as defined by applicable regulations, and for the purpose of its derivative products business, certain banking operations ancillary to the provision of investment services, such as in particular: –granting of associated loans and guarantees, –receipt of term deposits; –to participate, both in France and outside France, in all commercial, financial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism. –The Company shall perform these activities which are subject, under																														

Element	Title	
		<i>the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company."</i> The Guarantor is authorised to provide certain investment services as defined in article L.321-1 of the French monetary and financial code as explained above, as well as, for the purpose of its derivative products business, certain banking services complementary to the provision of investment services, such as granting associated loans and guarantees and receiving term deposits. The Guarantor distributes debt instruments (bonds and certificates) and warrants both in France and abroad. Under the current scheme of issues of warrants and debt instruments (bonds and certificates), a first demand guarantee for these issues is provided for the investors by the Guarantor in favour of Exane Finance SA (the Issuer). The Guarantor carries out brokering activities on listed derivatives products on behalf of institutional customers and carries out proprietary transactions of securities and derivatives. The Guarantor has also issued a declaration concerning the freedom of services throughout the territories in the following countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Spain, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, the Republic of Czechoslovakia, Romania, the United Kingdom, Slovakia, Slovenia and Sweden. The Guarantor is not subject to any specific confidentiality requirements, other than those commonly accepted in the exercise of its business as an investment services provider.
B.19/B.16	Entity(ies) or person(s) directly or indirectly holding or controlling the Guarantor	As at 31 December 2014, the Guarantor's shares are distributed as follows: 1,724,831 shares held by Exane SA 1 share held by Exane Finance SA Exane Derivatives SNC has two subsidiaries, each 99.9% owned: Ellipsis Asset Management SAS and Exane Options SA. Exane Derivatives SNC is a 99.9% directly owned subsidiary of Exane SA and is a fully consolidated company.
B.19/B.17	Rating assigned to the Guarantor or its debt securities	Guarantor's long term credit rating is for Moody's: Baa2 with a stable outlook. Guarantor's long term credit rating is for Standard & Poor's: BBB+ (BBB which means, as per the definition appearing on the website of Standard & Poor's, "adequate capacity to meet financial commitments, but more subject to adverse economic conditions – Note:

Element	Title	
		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”) with a stable outlook and Guarantor’s short term credit rating is for Standard & Poor’s: A-2 with a stable outlook.

Section C – Securities

Element	Title	
C.1	Nature, class and identification of the Securities	The Securities do not constitute "<i>obligations</i>" within the meaning of article L.228-38 of the French commercial code. Although issued in series, each Security shall constitute a separate and distinct debt instrument. However, the Securities may be consolidated and form a single series with earlier Tranches. Series n°: 10683 Tranche n°: 1 Type of Securities: The Securities are Certificates ISIN Code: FREXA0001174 Common Code: 139944593 Central Depository: Euroclear France, Clearstream, Monte Titoli Express II
C.2	Currencies	The currency of the Securities is Euro (“EUR”) and the settlement currency is EUR.
C.5	Description of any restriction on the free transferability of the Securities	Not applicable. There are no restrictions on the free transferability of the Securities subject to any selling and transfer restrictions which may apply in certain jurisdictions.
C.8	Description of the rights attached to the Securities including ranking and limitation to those rights and procedure for the exercise of those rights	<i>Rights attached to the Securities</i> The Securities will give right to each holder of Securities (a Holder) to receive an Optional Settlement Amount at the Issuer’s discretion or an Optional Settlement Amount at the Holder’s discretion as specified in Element C.18 hereafter and, if applicable, to interest amounts described in this Element C.18. <i>Status and ranking of the Securities and the Exane Guarantee</i> The Securities constitute direct, unconditional and unsubordinated obligations of the Issuer that shall rank equally (<i>pari passu</i>) with each other and with all other direct, unconditional and unsubordinated obligations of the Issuer, both present and future, (subject to contrary mandatory

Element	Title	
		provisions in force at the relevant time). The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any and all amounts due by the Issuer in respect of the Securities as and when the same shall become due and payable. The Exane Guarantee given by the Guarantor in respect of the Securities shall constitute a direct, unsubordinated obligation of the Guarantor and shall rank equally (<i>pari passu</i>) with its other direct, unconditional and unsubordinated obligations, both present and future (with the exception of preferred obligations under the law). Pledge : Not applicable
		<i>Early Termination Event</i> Any Holder may trigger the settlement (in the case of Certificates) or the settlement (in the case of CLN or Hybrid Securities) of each of the Securities that it holds if any of the following events or circumstances occurs: (i) failure by the Issuer to pay (x) the principal or (y) the interest within fifteen (15) days of the date on which such payment became due and payable; or (ii) failure by the Issuer to perform any of its obligations in respect of the Securities, failure by the Guarantor to perform any of its obligations in respect of the Exane Guarantee, failure by the Pledgor to perform any of its obligations with respect to the Pledge (under certain conditions), if such failure is not remedied within 45 days from the date the Financial Agent receives notice of such failure given by the Holder of the relevant Securities; or (iii) a liquidator, a provisional liquidator, an official receiver or an ad hoc agent, acting pursuant to the company law governing the Issuer or a significant portion of its assets, liabilities or holdings is appointed, or any person benefiting from a security interest takes possession of all or part of the assets or holdings of the Issuer, or the Issuer takes measures to obtain protection or obtains protection from its creditors pursuant to the governing legislation, or the Issuer generally ceases to make its payments, or ceases or threatens to cease operating its business, but excluding a merger or reorganisation operation under which all of the Issuer's assets are transferred and in which all liabilities and debt (including the Securities) of the Issuer are assumed by another entity which may continue the activity of the Issuer ; or (iv) the Guarantor requests the appointment of a mediator, reaches an amicable settlement with its creditors, has ceased to make payments, or a court ruling has ordered the liquidation of the Guarantor or approved a plan for full assignment of the Guarantor's business pursuant to court-ordered receivership proceeding, or the Guarantor is the subject of similar proceedings or, in the absence of legal

Element	Title	
		proceedings, the Guarantor reaches a composition with its creditors, or a resolution is approved by the Guarantor to liquidate or dissolve the Guarantor, but excluding a merger or reorganisation operation under which all the Guarantor's assets are transferred, and all or the majority of the Guarantor's liabilities and debt (including the Securities) are assumed by another entity that continues the Guarantor's business; or (v) the Exane Guarantee (or the Pledge, under certain conditions) is declared null and void, or claimed as such by the Guarantor. <i>Taxation – no gross-up</i> All payments of principal, interest and other revenues in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or charges of whatever nature, present or future, imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any authority therein or thereof having the power to tax, unless such withholding or deduction is required by law. If any applicable law should require that payments of principal or interest or other income in respect of the Securities, be subject to any such withholding or deduction, neither the Issuer, nor the Guarantor nor the Pledgor will be required to pay additional amounts in respect of any such withholding or deduction. <i>Governing law</i> The Securities, the Exane Guarantee and the Pledge are governed by French law. <i>Limitation of the rights attached to the Securities</i> The right to bring action against the Issuer in relation to the Securities or interest expires after a period of five years (for principal) or 5 years (for interest) from the specified due date.
C.11	Admission to trading	Application has been made by the Issuer (or on his behalf) to be listed and admitted to trading on the Multilateral Trading Facility denominated EuroTLX organised and managed by EuroTLX SIM S.p.A. No assurance can be given that the admission to trading of the Securities will be authorised.
C.15	Description of the impact of the value of the underlying on the value of the investment	The settlement amounts, interest and deliverables on Securities linked to one Underlying depend on the value of the Underlying which is likely to affect the value of the investment in the Securities. The value of Securities linked to the Underlying may be affected by the performance of the Exane US REITs (RI) Index (Bloomberg code: EXDMREIT) and the information on such Underlying may be found on

Element	Title		
		Bloomberg and on the website of the Sponsor (which is Exane Derivatives SNC). Indeed this Underlying has an impact on the Optional Settlement Amount at the Issuer’s discretion and/or an Optional Settlement Amount at the Holder’s discretion which are calculated in accordance with the formula specified in Element C.18 below and on the amount of interests, if any, which is calculated in accordance with the formula specified in Element C.18 below.	
C.16	Securities linked to one or more Underlying(s) – Maturity Date	The Certificates are undated perpetual Certificates and have no fixed Maturity Date.	
C.17	Securities linked to one or more Underlying(s) – Settlement-delivery	Securities linked to one or more Underlying(s) Underlying shall be settled in cash.	
C.18	Return on Securities linked to one or more Underlying(s)	The return on Securities linked to one or more Underlying(s) shall take place as follows :	
		INTEREST	
		No payment of interests for the Securities shall be due.	
		Nominal Value: Not applicable	
		SETTLEMENT AMOUNT	
		Settlement Option at the Issuer’s discretion :	
		Optional Settlement Amount	Delta One Settlement Amount The Optional Settlement Amount at the Issuer’s discretion is a Delta One Settlement Amount, determined in accordance with the following formula: EUR 1,000 x Max [0% ; S _{Final} / S _{Initial} – SF x T / 365] <u>For these purposes:</u> S _{Final} is the final value of the strategy as described below (the “Strategy”) on the Determination Date and based on the value of the Strategy determined on the immediately preceding Determination Date(i) S _{Initial} is the initial value of the Strategy on the Initial Determination Date and is equal to EUR 1,000 SF means the structuring fees, i.e. 1.00 %.

Element	Title	
		T means the number of calendar days between the Initial Determination Date (exclusive) and the Determination Date (inclusive). The Strategy on any Determination Date(i) is determined in accordance with the following formula : $S(i) = S(i-1) \times [(RV(i) / RV(i-1)) \times (FX(i) / FX(i-1)) + (1 + (Euribor(i-1) + BasisSwap) \times dt(i-1) / 360) / (1 + USDLibor(i-1) \times dt(i-1) / 360) - FX(i) / FX(i-1)]$ <u>With</u> RV_(i) is the official level of the Index at the close on the Determination Date(i) RV₍₀₎ is the official level of the Index at the close on the Initial Determination Date FX_(i) means the USD/EUR spot foreign exchange rate (expressed as the amount of EUR per USD 1.00) on the Determination Date(i) appearing on the Bloomberg page WMCO Curncy on or about 5:00 p.m. (Frankfurt time) (if on the Determination Date(i) the foreign exchange rate is not available, the Calculation Agent will use the first available foreign exchange rate as published during the 5 Business Days following such date. Should there be no such available rate, the Calculation Agent will determine in good faith an estimate of the rate to be applied) Euribor_(i) is the Euribor 1 month rate set at 11:00 (Paris Time) on the Determination Date(i) USDLibor_(i) is the USD Libor 1 month rate set at 11:00 (London Time) on the Determination Date(i) BasisSwap is equal to -0.40% . dt_(i-1) is the number of calendar days between the Determination Date(i-1) (excluded) and the Determination Date(i) (included) Index means the “Exane US REITs (RI)” Index Calculation Agent means Exane Derivatives Initial Determination Date means 25 April 2016 Determination Date means five (5) Business Days after the Issuer’s Optional Exercise Date with respect to Optional Settlement Amount at the Issuer’s discretion

Element	Title																																																																																																																																																									
		Determination Date(i) means each monthly dates following the Initial Determination Date. For information purposes, the first Determination Dates(i) are indicated in the table below, and the last Determination Date(i) will be the Determination Date <table><tr><th>(t)</th><th>Determination Date(t)</th><th>(t)</th><th>Determination Date(t)</th></tr><tr><td>0</td><td>25 April 2016</td><td>37</td><td>28 May 2019</td></tr><tr><td>1</td><td>25 May 2016</td><td>38</td><td>25 June 2019</td></tr><tr><td>2</td><td>27 June 2016</td><td>39</td><td>25 July 2019</td></tr><tr><td>3</td><td>25 July 2016</td><td>40</td><td>26 August 2019</td></tr><tr><td>4</td><td>25 August 2016</td><td>41</td><td>25 September 2019</td></tr><tr><td>5</td><td>26 September 2016</td><td>42</td><td>25 October 2019</td></tr><tr><td>6</td><td>25 October 2016</td><td>43</td><td>25 November 2019</td></tr><tr><td>7</td><td>25 November 2016</td><td>44</td><td>27 December 2019</td></tr><tr><td>8</td><td>27 December 2016</td><td>45</td><td>27 January 2020</td></tr><tr><td>9</td><td>25 January 2017</td><td>46</td><td>25 February 2020</td></tr><tr><td>10</td><td>27 February 2017</td><td>47</td><td>25 March 2020</td></tr><tr><td>11</td><td>27 March 2017</td><td>48</td><td>27 April 2020</td></tr><tr><td>12</td><td>25 April 2017</td><td>49</td><td>26 May 2020</td></tr><tr><td>13</td><td>25 May 2017</td><td>50</td><td>25 June 2020</td></tr><tr><td>14</td><td>26 June 2017</td><td>51</td><td>27 July 2020</td></tr><tr><td>15</td><td>25 July 2017</td><td>52</td><td>25 August 2020</td></tr><tr><td>16</td><td>25 August 2017</td><td>53</td><td>25 September 2020</td></tr><tr><td>17</td><td>25 September 2017</td><td>54</td><td>26 October 2020</td></tr><tr><td>18</td><td>25 October 2017</td><td>55</td><td>25 November 2020</td></tr><tr><td>19</td><td>27 November 2017</td><td>56</td><td>28 December 2020</td></tr><tr><td>20</td><td>27 December 2017</td><td>57</td><td>25 January 2021</td></tr><tr><td>21</td><td>25 January 2018</td><td>58</td><td>25 February 2021</td></tr><tr><td>22</td><td>26 February 2018</td><td>59</td><td>25 March 2021</td></tr><tr><td>23</td><td>26 March 2018</td><td>60</td><td>26 April 2021</td></tr><tr><td>24</td><td>25 April 2018</td><td>61</td><td>25 May 2021</td></tr><tr><td>25</td><td>25 May 2018</td><td>62</td><td>25 June 2021</td></tr><tr><td>26</td><td>25 June 2018</td><td>63</td><td>26 July 2021</td></tr><tr><td>27</td><td>25 July 2018</td><td>64</td><td>25 August 2021</td></tr><tr><td>28</td><td>27 August 2018</td><td>65</td><td>27 September 2021</td></tr><tr><td>29</td><td>25 September 2018</td><td>66</td><td>25 October 2021</td></tr><tr><td>30</td><td>25 October 2018</td><td>67</td><td>26 November 2021</td></tr><tr><td>31</td><td>26 November 2018</td><td>68</td><td>27 December 2021</td></tr><tr><td>32</td><td>27 December 2018</td><td>69</td><td>25 January 2022</td></tr><tr><td>33</td><td>25 January 2019</td><td>70</td><td>25 February 2022</td></tr><tr><td>34</td><td>25 February 2019</td><td>71</td><td>25 March 2022</td></tr><tr><td>35</td><td>25 March 2019</td><td>72</td><td>25 April 2022</td></tr><tr><td>36</td><td>25 April 2019</td><td>...</td><td>...</td></tr></table> Business Day means a day when the Trans-European Automated Real-Time Gross Settlement Express Transfer System known as TARGET 2 or any successor system is operating	(t)	Determination Date(t)	(t)	Determination Date(t)	0	25 April 2016	37	28 May 2019	1	25 May 2016	38	25 June 2019	2	27 June 2016	39	25 July 2019	3	25 July 2016	40	26 August 2019	4	25 August 2016	41	25 September 2019	5	26 September 2016	42	25 October 2019	6	25 October 2016	43	25 November 2019	7	25 November 2016	44	27 December 2019	8	27 December 2016	45	27 January 2020	9	25 January 2017	46	25 February 2020	10	27 February 2017	47	25 March 2020	11	27 March 2017	48	27 April 2020	12	25 April 2017	49	26 May 2020	13	25 May 2017	50	25 June 2020	14	26 June 2017	51	27 July 2020	15	25 July 2017	52	25 August 2020	16	25 August 2017	53	25 September 2020	17	25 September 2017	54	26 October 2020	18	25 October 2017	55	25 November 2020	19	27 November 2017	56	28 December 2020	20	27 December 2017	57	25 January 2021	21	25 January 2018	58	25 February 2021	22	26 February 2018	59	25 March 2021	23	26 March 2018	60	26 April 2021	24	25 April 2018	61	25 May 2021	25	25 May 2018	62	25 June 2021	26	25 June 2018	63	26 July 2021	27	25 July 2018	64	25 August 2021	28	27 August 2018	65	27 September 2021	29	25 September 2018	66	25 October 2021	30	25 October 2018	67	26 November 2021	31	26 November 2018	68	27 December 2021	32	27 December 2018	69	25 January 2022	33	25 January 2019	70	25 February 2022	34	25 February 2019	71	25 March 2022	35	25 March 2019	72	25 April 2022	36	25 April 2019	...	...
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Element	Title	
		Optional Settlement Date(s) Ten (10) Business Days after the Issuer's Optional Exercise Date On any Business Day as of the Reference Date for the Issuer (which is 25 April 2022), the Issuer may notify the exercise of his option to redeem all the Certificates at the Optional Settlement Amount by sending a notice to the Principal Paying Agent (which is Exane Derivatives SNC) and to the Holders (published by the central depository) and within a minimum period of five (5) calendar days between the date of publication and the exercise date (the "Issuer's Optional Exercise Date").
		Settlement Option at the Holder's discretion :
		Optional Settlement Amount Delta One Settlement Amount The Optional Settlement Amount at the Holder's discretion is a Delta One Settlement Amount, determined in accordance with the following formula: $\text{EUR } 1,000 \times \text{Max } [0\%; S_{\text{Final}} / S_{\text{Initial}} - SF \times T / 365]$ <u>For these purposes:</u> S_{Final} is the final value of the strategy as described below (the "Strategy") on the Determination Date and based on the value of the Strategy determined on the Determination Date(i) S_{Initial} is the initial value of the Strategy on the Initial Determination Date and is equal to EUR 1,000 SF means the structuring fees, i.e. 1.00 %. T means the number of calendar days between the Initial Determination Date (exclusive) and the Determination Date (inclusive). The Strategy on any Determination Date(i) is determined in accordance with the following formula : $S(i) = S(i-1) \times [(RV(i) / RV(i-1)) \times (FX(i) / FX(i-1)) + (1 + (\text{Euribor}(i-1) + \text{BasisSwap}) \times dt(i-1) / 360) / (1 + \text{USDLibor}(i-1) \times dt(i-1) / 360) - FX(i) / FX(i-1)]$ <u>With</u> $RV_{(0)}$ is the official level of the Index at the close on the Determination Date(i).

Element	Title																																																	
		RV₍₀₎ is the official level of the Index at the close on the Initial Determination Date. FX_(i) means the USD/EUR spot foreign exchange rate (expressed as the amount of EUR per USD 1.00) on the Determination Date(i) appearing on the Bloomberg page WMCO Curncy on or about 5:00 p.m. (Frankfurt time) (if on the Determination Date(i) the foreign exchange rate is not available, the Calculation Agent will use the first available foreign exchange rate as published during the 5 Business Days following such date. Should there be no such available rate, the Calculation Agent will determine in good faith an estimate of the rate to be applied) Euribor_(i) is the Euribor 1 mont rate set at 11:00 (Paris Time) on the Determination Date(i) USDLibor_(i) is the USD Libor 1 month rate set at 11:00 (London Time) on the Determination Date(i) dt_(i-1) is the number of calendar days between the Determination Date(i-1) (excluded) and the Determination Date(i) (included) Index means the “Exane US REITs (RI)” Index Initial Determination Date means 25 April 2016 Determination Date means five (5) Business Days after the date of exercise of the Holder’s option with respect to Optional Settlement Amount at the Holder’s discretion. Determination Date(i) means each monthly dates following the Initial Determination Date. For information purposes, the first Determination Dates(i) are indicated in the table below, and the last Determination Date(i) will be the Determination Date <table><tr><th>(t)</th><th>Determination Date(t)</th><th>(t)</th><th>Determination Date(t)</th></tr><tr><td>0</td><td>25 April 2016</td><td>37</td><td>28 May 2019</td></tr><tr><td>1</td><td>25 May 2016</td><td>38</td><td>25 June 2019</td></tr><tr><td>2</td><td>27 June 2016</td><td>39</td><td>25 July 2019</td></tr><tr><td>3</td><td>25 July 2016</td><td>40</td><td>26 August 2019</td></tr><tr><td>4</td><td>25 August 2016</td><td>41</td><td>25 September 2019</td></tr><tr><td>5</td><td>26 September 2016</td><td>42</td><td>25 October 2019</td></tr><tr><td>6</td><td>25 October 2016</td><td>43</td><td>25 November 2019</td></tr><tr><td>7</td><td>25 November 2016</td><td>44</td><td>27 December 2019</td></tr><tr><td>8</td><td>27 December 2016</td><td>45</td><td>27 January 2020</td></tr><tr><td>9</td><td>25 January 2017</td><td>46</td><td>25 February 2020</td></tr><tr><td>10</td><td>27 February 2017</td><td>47</td><td>25 March 2020</td></tr></table>	(t)	Determination Date(t)	(t)	Determination Date(t)	0	25 April 2016	37	28 May 2019	1	25 May 2016	38	25 June 2019	2	27 June 2016	39	25 July 2019	3	25 July 2016	40	26 August 2019	4	25 August 2016	41	25 September 2019	5	26 September 2016	42	25 October 2019	6	25 October 2016	43	25 November 2019	7	25 November 2016	44	27 December 2019	8	27 December 2016	45	27 January 2020	9	25 January 2017	46	25 February 2020	10	27 February 2017	47	25 March 2020
(t)	Determination Date(t)	(t)	Determination Date(t)																																															
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6	25 October 2016	43	25 November 2019																																															
7	25 November 2016	44	27 December 2019																																															
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9	25 January 2017	46	25 February 2020																																															
10	27 February 2017	47	25 March 2020																																															

Element	Title								
			11	27 March 2017	48	27 April 2020			
			12	25 April 2017	49	26 May 2020			
			13	25 May 2017	50	25 June 2020			
			14	26 June 2017	51	27 July 2020			
			15	25 July 2017	52	25 August 2020			
			16	25 August 2017	53	25 September 2020			
			17	25 September 2017	54	26 October 2020			
			18	25 October 2017	55	25 November 2020			
			19	27 November 2017	56	28 December 2020			
			20	27 December 2017	57	25 January 2021			
			21	25 January 2018	58	25 February 2021			
			22	26 February 2018	59	25 March 2021			
			23	26 March 2018	60	26 April 2021			
			24	25 April 2018	61	25 May 2021			
			25	25 May 2018	62	25 June 2021			
			26	25 June 2018	63	26 July 2021			
			27	25 July 2018	64	25 August 2021			
			28	27 August 2018	65	27 September 2021			
			29	25 September 2018	66	25 October 2021			
			30	25 October 2018	67	26 November 2021			
			31	26 November 2018	68	27 December 2021			
			32	27 December 2018	69	25 January 2022			
			33	25 January 2019	70	25 February 2022			
			34	25 February 2019	71	25 March 2022			
			35	25 March 2019	72	25 April 2022			
			36	25 April 2019	...	...			
					Optional Settlement Date(s)	Ten (10) Business Days after the date of exercise of the Holder’s option who may notify the exercise of his option to redeem his Securities at the Optional Settlement Amount on any Business Day starting on the Reference Date for the Holder (which is the 25 April 2022). The date of exercise of the Holders’ option shall be deemed to be the fifth Business Day following confirmation by the Issuer by return e-mail of receipt of the option exercise notice.			
			C.19	Securities linked to one or more Underlying(s) – Exercise Price or Final Reference Price	The exercise price or reference price of one or more Underlying(s): the value of the relevant Underlying at the final determination date as determined by the Calculation Agent (which is Exane Derivatives SNC), subject to any adjustments or any extraordinary events which may affect the Underlying.				
			C.20	Securities linked to one or more Underlying(s) –	The Underlying of Securities linked to one or more Underlying(s) is the Exane US REITs (RI) Index (Bloomberg code: EXDMREIT) (the “Index”) and the information on such Underlying may be found on Bloomberg and on				

Element	Title	
	Description of the underlying and where information on it may be obtained	the website of the Sponsor (which is Exane Derivatives).

Section D – Risks

Element	Heading	
D.2	Key information on the principal risks that are specific to the Issuer or its operations and activity	As far as the Issuer and the Guarantor are concerned, several risk factors may affect their ability to perform their obligations under the Securities: Group's Risk : the Exane group is exposed to risks inherent in its core businesses ; Risk management: the risk management strategies and techniques put in place by the Issuer and the Guarantor may fail; notably with risks that not identified or anticipated that may cause unexpected losses ; Credit risk; risk of loss due to default by the Issuer or the Guarantor ; Solvency of the Issuer and of the Guarantor: investors are only relying on the solvency of the Issuer and of the Guarantor and on no other person. The Securities and the Exane Guarantee rank equally with all other unsubordinated and unsecured contractual obligations of the Issuer and the Guarantor, and after preferred obligations, including those preferred by operation of law ; Monoline business: the Issuer's and the Guarantor's business activities are dependent on the behaviour of equities markets and are impacted by both domestic and international economic and political events; Capital adequacy: the implementation of various regulations on capital adequacy may have an impact on the profitability of the activities of the Issuer and/or the Guarantor; European Union Crisis Management Directive: the impacts of this directive are difficult to assess and its transposition into national law could adversely affect the rights of the Holders, the price or value of their investment in the Securities and/or the ability of the Issuer and/or the Guarantor to fulfill its obligations under the Securities; Operational risk: risk of loss or sanctions arising from the inadequacies or failures in internal procedures, human error or external events; Fair market value risk: the new rules relating to financial instruments recognition and measurement may lead to fluctuations in the shareholders equity and more generally in the financial statements of the Issuer or the Guarantor; Impact of regulatory changes: changes in regulations could materially affect the business of the Issuer and of the Guarantor; Reputational risk: mismanagement of potential conflicts of interest, legal and regulatory requirements, ethical issues, money-laundering laws, information security policy and sales and transaction practices may harm the reputation of the Issuer and/or of the Guarantor; and Service of process on or enforcement of judgements against the Issuer and/or the Guarantor in the United States of America: it may not be possible to effect service of process on or enforce judgements against the Issuer and/or the Guarantor in the United States of America.
D.6	Basic information on material	Several risk factors are material for the purpose of assessing the market risks associated with Securities issued under the Programme: General, market and other risks

Element	Heading	
	factors to enable risks associated with Securities linked to one or more Underlying(s) to be assessed	Suitability of the investment: Securities may not be an appropriate investment for all investors; Potential Costs of dealing and holding Securities: incidental cost linked to dealing and holding Securities may reduce or cancel out any potential benefit on the Securities; Hedging considerations: the value of the Securities during their life may not exactly offset the loss realised on the hedged underlying; Rights in respect of the Underlying(s): the Securities do not confer any rights against the Underlying(s); Possible lack of liquidity for the Securities on the secondary market: Securities may not have a secondary market established when issued. There can be no assurance that an active market for the Securities will develop on the market where the Securities are listed or that liquidity will exist at any time on this market, if it develops. Consequently, investors may not be able to sell their Securities before their maturity date; Volatility affecting the secondary market for Securities: the occurrence of events may have a negative impact of the price of Securities; Legal constraints possibly restricting certain investments: each investor has to review himself or with its legal counsel the appropriate treatment of the Securities in a legal point of view; Leverage : Securities with a leverage factor involve a high level of risk implying a greater losses compared to similar Securities, in the event of loss; Taxation: potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other charges or documentary duties in accordance with the laws and practices of the country where the Securities are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as Securities; Change in law: no assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus. French Insolvency Law: under French insolvency law, some creditors are grouped into a committee. The decision of this committee may lead to an increase of Holders' liabilities, an unequal treatment between the creditors, or a conversion of the debt into securities. Savings Directive: paying agents based in a Member State have to report to their tax authorities certain information with respect to interest payment (or similar income) made to beneficial owners domiciled in another Member State; U.S Foreign Account Tax Compliance Act (FATCA): withholding at source imposed by FATCA rules in the United States may impact the Securities; Hiring Incentives to Restore Employment Act (HIRE Act): US legislation on payments equivalent to dividends may impact on the Securities;

Element	Heading	
		Financial Transaction Tax (FTT): A common FTT may be progressively implemented in some Member States of the European Union and could, if introduced, apply to Securities; European Market Infrastructure Regulation and Markets in Financial Instruments Directive (EMIR) : the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Hedging Party's ability to engage in transactions in OTC derivatives; The Bank Recovery and Resolution Directive (BRRD): once implemented, Holders may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such Holders losing some or all of their investment. Risks relating to Physical Settlement: the Issuer shall not be liable under any circumstances if it is not able to deliver, or procure delivery, to the relevant holder by reason of applicable laws, regulations and practices; Risks linked to Underlying Risks relating to the Underlying(s): these risks encompass among others any risk linked to fluctuations in the price, level or rate, as the case may be, of the share, the index, the commodity, a unit of the fund, the futures contract, the listed option, the exchange rate, the debt instrument as well as the management policies by an index sponsor for the index. In addition, as the investor will not be the beneficial owner of the underlyings, it will not be entitled to any dividends or similar amounts or to exercise any rights granted to beneficial owners of the underlying(s), if the underlying(s) permits it; Potential conflicts of interest: the Issuer, the Guarantor or their subsidiaries may enter into transactions linked to the underlying(s) for their own account or for third party pursuant to their activity; Potential conflicts of interests in connection with proprietary indices: the Issuer, the Guarantor or any of their affiliates may be involved in proprietary indices and accordingly may face to a potential conflict of interests between its function under the Securities and the function under the proprietary indices; Emerging market risk: additional risks may be associated to Underlying which are located in, or subject to regulation in emerging or developing countries, securities which are denominated or traded in such countries or currencies of such countries; Calculation Agent: the Calculation Agent may have to make choices that may influence the amount receivable by the holders upon final settlement of the Securities and has wide discretionary powers to make such adjustments as it considers appropriate. Nevertheless, the Calculation Agent will act in the interest of the holders; Foreign exchange risk: the value of the Securities may be affected by fluctuations in exchange rates between any currency in which a payment must be made under the Securities and any currency in which an underlying is traded; Issuer Settlement Option: exercise of its early settlement option by the Issuer may cause the return anticipated by holders to be considerably less than anticipated ;

Element	Heading	
		Credit rating to Securities: credit rating agency may assign credit ratings to certain Securities, however those credit ratings do not constitute a guarantee of the quality of the Securities Downgrading or withdrawal of the Guarantor's credit rating: downgrading or withdrawal of the Guarantor's credit rating may affect adversely the market value of the Securities. Risk linked to the underlying index or basket of indices: The market price of the Securities may be volatile and may depend on the residual term to maturity and the volatility of the level of the Index or Indices. The level of the Index or Indices may be affected by economic, financial and political events occurring in any one or more countries, including on the exchanges or quotation systems on which the securities comprising the Index or Indices may be traded. The Index may reference shares, bonds or other securities, it may also be a real estate index referencing data on real estate prices which are subject to market price fluctuations, or reference various assets or indices. The policies of the sponsor may affect the value of the index or indices. The sponsor may execute transactions on the underlyings comprised in the proprietary index, whether for hedging purposes relating to the Securities or otherwise. These transactions may have a positive or negative impact on the value of the underlyings comprised in the proprietary index and accordingly on the value of the Securities. On 18 September 2013, the European Commission issued a draft proposed regulation (2013/0314) with respect to indices and reference indices ("benchmarks") used in connection with financial instruments and financial contracts (the "Proposal"). The purpose of the Proposal is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interest arising. Risks relating to Certificates: Any investment in Certificates involves significant risks which are not normally associated with a similar investment in traditional fixed or floating rate securities. In the opinion of the Issuer, acquiring Certificates should be restricted to investors who are well able to understand the particular risks of an investment in this type of instrument or who acquire them following the advice of a financial institution or other professional investors. In addition, potential investors who intend to purchase undated perpetual Certificates with no fixed maturity date shall consider that this type of Certificates does not have a determined maturity. Therefore, the duration of the Certificates depends on a settlement option at the Issuer's discretion, if any, or on a settlement option at the Holders' discretion, if any. If there is no secondary market, there might be no possibility for the investors to sell the Certificates. Settlement Option at the Issuer's discretion: Any early settlement at the option of the Issuer could cause the return anticipated by Holders to be considerably less than anticipated. In addition, investors that choose to reinvest money they receive through an early settlement may be able to do so only in securities with a lower yield than the settled Securities.

Section E – Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds of the offer	The net proceeds of the issue of Securities shall be used by the Issuer for its general financing purposes.
E.3	Terms and conditions of the offer	Not applicable, the Securities are not being offered to the public.
E.4	Interests, including conflicting interests, that may materially impact the issue/offer	Not applicable, as far as the Issuer is aware, no person involved in the issue has any material interest to the offer.
E.7	Estimate of expenses placed on the subscriber by the Issuer or the offeror	Not applicable, no costs are to be borne by the subscriber.



NOTICE TO HOLDERS
dated as of 26 April 2016

To : EuroTLX

Issue of 3,000 “Tracker Exane US REITs (RI) Open End” Certificates
indexed to the Exane US REITs (RI) Index (the “Index”)
(hereafter, the “Certificates”)

pursuant to the Debt Securities Issue Programme of
EXANE FINANCE
(the “Issuer”)

unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES
(the “Guarantor”)

Series no.: 10683
Tranche no.: 1

ISIN code: FREXA0001174

EXANE DERIVATIVES
as Dealer

We refer to the final terms dated as of 28 April 2016 (the “**Final Terms**”) of the Certificates to be issued on 28 April 2016.

This notice (the “**Notice**”) must be read in conjunction with the Final Terms and the debt securities issue programme of Exane Finance (the “**Issuer**”) which is unconditionally and irrevocably guaranteed by Exane Derivatives (the “**Guarantor**”) and described in the base prospectus dated as of 24 June 2015 as supplemented by any supplement relating thereto, if any (the “**Base Prospectus**”).

Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of the Notice, the Final Terms and the Base Prospectus.

Unless the context otherwise specifically requires, capitalised terms used in this Notice and not otherwise defined herein shall have the meanings specified for such terms in the Final Terms and on the Conditions defined in the Base Prospectus.

The Initial Determination Date being 25 April 2016, information is hereby given to the Holders of the Certificates that the official level of the Index on the close on the Initial Determination Date is 1,076.94 points (i.e. RV(0)).

THE CALCULATION AGENT
Exane Derivatives SNC
16 avenue Matignon
75008 Paris

* *
*

BASE PROSPECTUS

Dated 24 June 2015



EXANE FINANCE

(Incorporated in France)

(as Issuer)

EXANE DERIVATIVES

(Incorporated in France)

(as Garantior)

Debt Securities Issue Programme

Pursuant to the debt securities issue programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), Exane Finance (the **Issuer**) may, in accordance with the applicable laws, regulations and directives, issue securities (the **Securities**) from time to time denominated in any currency agreed upon between the Issuer and the Dealer as defined hereafter, unconditionally and irrevocably guaranteed by Exane Derivatives (the **Guarantor**).

An application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) for approval of this document as a base prospectus in its capacity as competent authority under article 7 of the Luxembourg law relating to prospectuses for securities which implements the European directive 2003/71/EC of 3 November 2003 (the **Prospectus Directive**), as amended. By approving this base prospectus, the CSSF shall give no undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer, in line with the provisions of article 7(7) of the Luxembourg law

An application has also been filed with the Luxembourg stock exchange (the **Luxembourg Stock Exchange**) for the Securities issued under the Programme, within 12 months of the date of the Base Prospectus, to be admitted, at the Issuer's discretion, to trading on the regulated market (the **Regulated Market**) of the Luxembourg Stock Exchange and/or to listing on the Luxembourg Stock Exchange and/or to trading on any other regulated market in a Member State of the EEA. The Regulated Market or any other regulated market in an EEA Member State mentioned in the Base Prospectus is a regulated market for the purposes of the directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

The Securities may also be admitted to trading on other stock exchanges or Regulated Markets as may be agreed between the Issuer and the relevant Dealer. Securities may also be issued pursuant to the Base Prospectus that are not admitted to trading on a stock exchange or on a Regulated Market.

The Base Prospectus is valid for a period of one year from the date hereof.

The Securities shall be either (a) indexed to one or more or a combination of shares, indices, units or shares of collective investment schemes, futures contracts, foreign exchange rates, debt securities, listed options or commodities (the **Certificates**) or (b) linked to the creditworthiness of the relevant reference entity/ies (the **Credit Linked Notes** or **CLN**) or (c) indexed to a combination of one or more underlyings of the Certificates with one or more credit events in respect of one or more reference entities of the CLN (the **Hybrid Securities**).

The Securities may be issued or settled at a premium over or at a discount to their nominal value or at their nominal value, with the settlement value indexed or not to a formula. The Securities may be settled in a currency or currencies other than the original currency of issue. The Securities may be settled in cash or through the physical delivery of deliverable underlyings. The Securities may bear interest on a fixed or floating rate or formula linked basis or may not bear interest at all, as described in the Technical Annex which supplements the Conditions of the Securities.

The Securities shall be governed by French law. The Securities are securities as defined by article L. 211-2 of the French monetary and financial code (the **Monetary and Financial code**) and article 4.1.18 of the European directive 2004/39/EC. They are not *obligations* as defined by article L. 228-38 of the French commercial code.

The Securities shall be issued solely in book-entry form and will be placed with an accredited intermediary in accordance with articles L. 211-3 and R. 211-1 *et seq.* of the Monetary and Financial code. No physical document of title (including *certificats représentatifs* pursuant to article R. 211-7 of the Monetary and Financial code) will be issued in respect of the Securities.

Each Securities issue shall be governed by the Conditions of the Securities (the **Conditions**) as completed, if applicable, by the Technical Annex (the **Technical Annex**) set forth in the Base Prospectus and the provisions set forth in the final terms applicable to the Securities (the **Final Terms**).

Certain issues of Securities will also benefit from an additional guarantee in the form of a pledging of securities account pursuant to article L. 211-20 and articles D. 211-20 and following of the Monetary and Financial code (the **Pledge**), given by Exane Derivatives as pledger.

RATING OF THE SECURITIES

At the Issuer's discretion, the Securities may be rated by Moody's France SAS (**Moody's**). A rating is not a recommendation to buy, sell or hold securities and may at any time be suspended, changed or withdrawn by Moody's. As of the date hereof, Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended by Regulation (EU) No. 513/2011) (the **CRA Regulation**), as it appears from the list published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

RESPONSIBILITY OF THE ISSUER AND THE GUARANTOR

The Issuer and the Guarantor accept joint responsibility for the information contained in the Base Prospectus and to the best of the knowledge and belief of the Issuer and of the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in the Base Prospectus is in accordance with the facts and does not contain any omissions likely to affect the import of such information.

IMPORTANT INFORMATION

The Base Prospectus (together with any supplements to the Base Prospectus (each a Supplement and together the Supplements) comprises a base prospectus for the purposes of article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Guarantor. In relation to each separate issue of Securities, the final terms of such Securities will be determined by the Issuer and the relevant Dealer in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

The Technical Annex and the relevant Final Terms will contain information relating to any underlying shares, indices, units or shares of collective investment schemes, futures contracts or foreign exchange rates, debt instruments, listed options, commodities, credit risk or hybrid risk (each an Underlying) to which the relevant Securities relate and which are contained in such Final Terms.

In the Base Prospectus, and except where otherwise stipulated or where the context demands otherwise, "€", "euro" and "EUR" shall refer to the single currency of the Economic and Monetary Union, pursuant to the Treaty instituting the European Community, as amended, "Pound Sterling", "GBP" and "£" shall refer to the monetary unit of the United Kingdom, "U.S. Dollars", "USD", "US\$" and "\$" shall refer to the monetary unit of the United States of America, "Swiss Francs" and "CHF" shall designate the monetary unit of Switzerland, and "Yen", "YEN" and "JPY" shall designate the monetary unit of Japan. Other currencies may be used and shall be defined accordingly in the Final Terms.

No person is authorised to give any information or to make any representations not contained in the Base Prospectus. No information or declaration that is not contained in the Base Prospectus may be deemed authorised by or in the name of Exane Finance as Issuer, Exane Derivatives as Guarantor and/or Arranger and/or Dealer.

The Securities may be issued by the Issuer and subscribed or sold by any Dealer on the dates and at the prices to be determined by the Issuer and/or the Dealers.

Neither the Base Prospectus nor any other information provided concerning the Base Prospectus (a) is intended to serve as a credit rating or any other evaluation, or (b) may be considered a recommendation to purchase the Securities made by the Issuer, the Guarantor, the Arranger or a Dealer to any person receiving the Base Prospectus or any other information provided concerning the Base Prospectus. Each investor considering the subscription or purchase of the Securities must conduct his own examination of the financial and general

position of the Issuer and the Guarantor and make his own assessment of the Issuer's and the Guarantor's solvency and base its decision to subscribe for or purchase Securities on such enquiries as it deems necessary.

Neither the delivery of the Base Prospectus on any date, nor an operation executed pursuant to the Securities offering shall mean that information or representations contained in the Base Prospectus in respect of the Issuer or the Guarantor are accurate on any date after the date of the Base Prospectus, or that any other information provided in connection with the Base Prospectus is correct on any date after the date indicated in the document containing such information. No Dealer has undertaken to review the financial or general position of the Issuer or the Guarantor during the period of validity of the Base Prospectus. Investors should examine, in particular, the latest financial statements published by the Issuer or the Guarantor before deciding to subscribe or purchase Securities.

The Base Prospectus and any other information that may be provided concerning the Base Prospectus shall not constitute either an offer or a solicitation by, or in the name of, the Issuer, the Guarantor or any Dealer, or any other person with a view to subscription or purchase of Securities. The distribution of the Base Prospectus and the Securities offering in certain countries may be restricted by law. The Issuer, the Guarantor and each Dealer ask that persons in possession of the Base Prospectus familiarise themselves with and comply with such restrictions.

Persons who come into possession of the Base Prospectus, any supplement thereto, or any Final Terms are invited, at the request of the Issuer, the Guarantor, and the Dealers, to familiarize themselves and comply with all applicable laws and regulations in each country or jurisdiction in which, or from which, they purchase, offer, sell or deliver the Securities or have in their possession or distribute such information sources, in all cases at their expense

IMPORTANT INFORMATION IN RELATION UNITED STATES OF AMERICA

Neither the Securities nor the Exane Guarantee have been or will be registered pursuant to the U.S. Securities Act 1933 (the Securities Act), as amended, and trading in the Securities has not been approved by the United States Commodity Future Trading Commission pursuant to the United States Commodity Exchange Act.

The Securities and the Exane Guarantee may not be offered, sold, pledged or otherwise transferred except in an "Offshore Transaction" (as such term is defined in Regulation S under the Securities Act) to or for the account or benefit of a Permitted Transferee.

Permitted Transferee means any person who is not:

- (a) an U.S. person as defined in Rule 902(k)(1) of Regulation S; or
- (b) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the CEA) or any rule thereunder (a CFTC Rule), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

For a description of certain additional restrictions governing the offering and sale of the Securities and the distribution of the Base Prospectus, see the Section "Subscriptions, purchases and selling restrictions" hereinafter.

* * * *

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SUPPLEMENT TO THE BASE PROSPECTUS

If, at any time during the duration of the Programme, a significant new event or a material error or misrepresentation occurs or is identified affecting any information or item contained in the Base Prospectus that could influence the evaluation of the Securities, the Issuer will prepare a supplement to the Base Prospectus (the **Supplement**) pursuant to the provisions of article 13 of the *loi relative aux prospectus de valeurs mobilières* in Luxembourg implementing article 16 of the Prospectus Directive or publish a new document replacing the Base Prospectus, and submit such Supplement or new document to the CSSF for approval.

The Issuer will provide each Dealer, the Listing Agent in Luxembourg, and the Luxembourg Stock Exchange with as many copies as they may reasonably request or the rules of the CSSF or, as the case may be, the Luxembourg Stock Exchange, may require. Any Supplement will be published in the same way as the Base Prospectus.

In accordance with the provisions of article 13.2 of the Luxembourg law on securities prospectuses implementing article 16.2 of the Prospectus Directive, investors have the right to retract in certain circumstances for at least two business days after publication of the Supplement.

All documents prepared for the registration of the Programme or in connection with the admission of any Securities to trading on the Regulated Market of the Luxembourg Stock Exchange shall be available at the specified offices of the Paying Agent in Luxembourg and of the Listing Agent in Luxembourg.

If the conditions of the Programme are amended in such a way as to make the Base Prospectus so amended inexact or misleading on an essential point, a new base prospectus shall be prepared.

The Final Terms in respect of any issue of Securities admitted to trading on a regulated market in another EEA Member State or on a stock exchange other than a regulated market will be available free of charge at the registered office of the Issuer or the registered office of the Principal Paying Agent.

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as Element, the communication of which is required by Annex XXII of the Commission Regulation (EC) No 809/2004 as modified. These Elements are numbered in sections A - E (A.1 – E.7).

This summary contains all of the Elements to be included in a summary for this type of Securities, Issuer and Guarantor. The numbering of the Elements may be out of sequence due to the fact that certain Elements do not need to be included.

Although an Element may be required to be included in the summary for the particular type of security or issuer, it may be that no pertinent information is available on such Element. In such case, a brief description of the Element is included in the summary followed by the words "Not applicable".

Section A – Introduction and warnings

Element	
A.1 Warning	This summary should be read as an introduction to the Base Prospectus as supplemented by any supplement relating thereto, if any (the Base Prospectus). Any decision to invest in securities should be based on a consideration of the Base Prospectus as a whole by the investors. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2 Consent to use of the Base Prospectus	[Not applicable] / [In the context of the offer of Securities in [France] [Belgium] [Germany] [Italy] [Austria] [The Netherlands] [Luxembourg] [Sweden] (the Public Offer Jurisdiction(s)), this offer not being exempt from the obligation to publish a prospectus under the Prospectus Directive, as amended, (the Non-exempt Offer), the Issuer consents to the use of the Base Prospectus in connection with the Non-exempt Offer of Securities during the offer period from [●] to [●] (the Offer Period) in the Public Offer Jurisdiction(s). The consent given by the Issuer for the use of the Base Prospectus to make the Non-exempt Offer is : – [a specific consent (a Specific Consent) in respect of [the Dealer (which is [Exane Derivatives SNC])], [[●] (<i>specified name and address</i>) (the Authorised Institution(s))] [and if the Issuer appoints any additional financial intermediaries after the [<i>insert the date of the applicable Final Terms</i>] and publishes details of them on its website (exane.com/exaneissues), each financial intermediary whose details are so published (the Additional Authorised Institution(s))] – [and] [a general consent (a General Consent), in respect of any financial intermediary who published on its website that it will make the Non-exempt Offer of the Securities on the basis of the General Consent given by the Issuer and by such publication, any such financial intermediary (each a General Authorised Institution) undertakes to comply with the

	following obligations : (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any authority (the Rules), including, in particular and in each case, the Rules relating to both the suitability or appropriateness of any investment in the Securities by any person and disclosure to any potential investor; (b) observes and complies with the restrictions set forth in the "<i>Subscription, purchase and selling restrictions</i>" section of this Base Prospectus, as supplemented from time to time, which shall apply as if it were acting as a Dealer; (c) ensures that any fee (and any other commissions or benefits of any kind) or rebate received or paid by such financial intermediary in connection with the offer or sale of Securities does not violate the Rules and is fully and clearly communicated to Investors or potential Investors; (d) holds all permits, licenses, approvals and consents necessary for solicitation of interests in, or offering or selling Securities, pursuant to the Rules; (e) retains all investor identification records for at least the minimum period required under the applicable Rules and shall, upon request, place such records at the disposal of the relevant Dealer(s) and the Issuer or place them directly at the disposal of the relevant supervisory authority of the Issuer and/or the relevant Dealer(s) to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to money-laundering, prevention of corruption and client identification applicable to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or place the Issuer or the relevant Dealer(s) under an obligation to make any filing, obtain any authorisation or consent in any jurisdiction; (g) it commits itself to indemnify the relevant Issuer, the Guarantor and the Dealer for any damage, loss, expense, claim, request or loss and fees (including reasonably fees from law firms) incurred by one of its entities because of, or in relation with, any failure by this financial intermediary to respect any of these obligations above; (h) it acknowledges that its commitment to respect the obligation above is governed by French law and agrees that any related dispute is brought before the Tribunal de Commerce de Paris, France; and satisfies any other condition specified in the relevant Final Terms. For the avoidance of doubt, neither the Dealers nor the Issuer shall be under any obligation to ensure that an Authorised Institution is acting in compliance with all laws and regulations and, accordingly, neither the Dealers nor the Issuer shall under any circumstances be liable in such regard.[Any General Authorised Institution who wishes to use the Base Prospectus of a Non-exempt Offer of the Securities in accordance with the this General Consent and the related conditions is required, during the times of the relevant Offer Period, to publish on its website that it uses the Base Prospectus for such Non-exempt Offer in accordance with the General Consent and the related conditions.] The Conditions of the Non-exempt Offers must be communicated to investors by the [Authorised Institution(s)] [and] [the General Authorised Institution(s)] where the offer will be made.]

Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Exane Finance SA (the Issuer).
B.2	Domicile, legal form of the Issuer/Legislation and country of incorporation of the Issuer	Domicile: 16, avenue Matignon - 75008 Paris Legal form: public limited company (<i>société anonyme</i>) Legislation: French law Country of incorporation: France
B.4b	A description of all known trend information affecting the Issuer and the markets in which it operates	Not applicable. There are no trends affecting the Issuer and the business sectors in which it operates.
B.5	Description of the Issuer's Group and its position within the Group	The Issuer has no subsidiaries. Exane Finance is a subsidiary 99.9% owned by Exane SA and is a fully consolidated company. Exane Finance forms part of the Group: a simplified Group structure chart appears below. Group means Exane SA and any direct or indirect subsidiary (as defined in article L.233-1 of the French commercial code) of Exane SA.

Element	Title					
			513	813	689	
		Total Shareholder's Equity	3 195	3 762	3 467	7 169
		There has been no material adverse change in the Issuer's prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Issuer since 31 December 2014.				
B.13	Recent events particular to the Issuer which are to a material extent relevant to evaluating the Issuer's solvency.	Not applicable. There are no recent events affecting the Issuer that are materially relevant to evaluating its solvency.				
B.14	Extent of dependency of the Issuer with regard to other entities in the Group.	Please also refer to Element B.5 above. The Issuer is 99.99% owned by Exane SA.				
B.15	Issuer's principal activities	Pursuant to article 2 of its by-laws, the Issuer's main activity, within the limits set forth by legal and regulatory provisions applicable to financial companies and "<i>subject to the provisions of the last sub-paragraph of this article:</i> – to provide, both in France and outside France, investment services, services related to investment services as defined by applicable regulations, and banking operations, including intermediation in banking transactions, the receipt of funds from the public, credit operations and the issue of securities, and activities related to banking operations, and all financial activities not prohibited by the applicable regulations; – to participate, both in France and outside France, in all commercial, financial, industrial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism ; The Company shall perform these activities which are subject, under the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company." The Issuer is therefore authorised to carry on credit and guarantee services complementary to these services as an investment services provider, in relation to dealing on own account, portfolio management, underwriting and (guaranteed and non-guaranteed) placement. The Issuer's main activity is issuing debt securities (including certificates and bonds) and warrants. Such issues are generally underwritten by Exane Derivatives SNC which is responsible for placement with investors and managing positions.				

Element	Title	
		It should be noted that investment services relating to underwriting and placement are authorised only in connection with the issuance of warrants and debt securities (bonds and certificates). The Issuer has also issued a declaration concerning freedom of services throughout the territories of the following countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Spain, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, the Czech Republic, Romania, the United Kingdom, Slovakia, Slovenia and Sweden.
B.16	Entity(ies) or person(s) directly or indirectly holding or controlling the Issuer.	As at 31 December 2014, the Issuer's shares are distributed as follows: 319.988 shares held by Exane SA 1 share held by Nicolas Chanut 1 share held by Exane Derivatives SNC 1 share held by Bertrand Léonard 1 share held by Exane Limited 1 share held by Benoît Catherine 1 share held by Exane Derivatives Gérance SA Exane Finance SA has no subsidiaries. Exane Finance SA is a subsidiary 99.9% owned directly by Exane SA and is a fully consolidated company.
B.17	Rating assigned to the Issuer or its debt securities	Not applicable. Exane Finance SA has not been rated. [Not applicable. The Securities have not been rated.] [The Securities have been rated <i>[specify rating(s) of the Securities being issued]</i> by <i>[specify rating agency(ies)]</i>.]
B.18	Nature and scope of the guarantee	Each Security shall be guaranteed by Exane Derivatives SNC (the Guarantor). The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any and all amounts due by the Issuer in respect of the Securities as and when the same shall become due and payable (the Exane Guarantee). The Exane Guarantee given by the Guarantor on the Securities shall constitute a direct, unsubordinated obligation of the Guarantor and shall rank equally (<i>pari passu</i>) with its other direct, unconditional and unsubordinated obligations, both present and future (with the exception of preferred obligations under the law).

Element	Title						
		Certain issues may benefit from an additional guarantee in the form of a pledging of securities account in accordance with article L. 211-20 and articles D. 211-10 <i>et seq.</i> of the French monetary and financial code (the Pledge). This Pledge shall be granted by Exane Derivatives SNC (the Pledgor) for the benefit of the Holders. The relevant Final Terms shall specify whether the relevant Securities have the benefit of a Pledge. The statement of pledge shall indicate, in particular, the debt secured by the Pledge (the Secured Debt) as well as the nature and number of financial instruments recorded in the pledged account (the Eligible Financial Instruments) as of the date of delivery of such statement.					
B.19	Information concerning the Guarantor						
B.19/B.1	<i>The legal name and commercial name of the Guarantor</i>	The Guarantor’s legal name is Exane Derivatives SNC.					
B.19/B.2	<i>The registered office and legal form of the Guarantor/governing law and country of incorporation of the Guarantor</i>	Domicile: 16, avenue Matignon - 75008 Paris Legal form: <i>société en nom collectif</i> Legislation: French law Country of incorporation: France					
B.19/B.4 b	<i>A description of all known trend information affecting the Guarantor and the markets in which it operates</i>	Not applicable. There are no trends affecting the Guarantor and the business sectors in which it operates.					
B.19/B.5	<i>Description of the Guarantor’s Group and its position within the Group</i>	Exane Derivatives SNC has two subsidiaries, each 99.9% owned : Ellipsis Asset Management and Exane Options. Exane Derivatives SNC is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company. Exane Derivatives SNC forms part of the Group: a simplified Group structure chart appears in Element B.5 above. Group means Exane SA and any direct or indirect subsidiary (as defined in article L.233-1 of the Commercial Code) of Exane SA.					
B.19/B.9	<i>Profit forecast or estimate</i>	Not applicable. There are no profit forecasts or estimates.					
B.19/B.10	<i>Qualifications in the auditor’s report</i>	Not applicable. There are no qualifications in the Statutory Auditors’ reports on the financial years ending 31 December 2013 and 31 December 2014.					
B.19/B.12	<i>Key historical financial information</i>	Exane Derivatives SNC <table><tr><th>In K€</th><th>30 June</th><th>31 Dec.</th><th>30 June</th><th>31 Dec.</th></tr></table>	In K€	30 June	31 Dec.	30 June	31 Dec.
In K€	30 June	31 Dec.	30 June	31 Dec.			

Element	Title				
			2013	2013	2014
		Net banking income	73 936	125 645	81 415
		Operating profit	25 797	36 119	29 786
		Net profit	18 825	26 616	22 957
		Total Assets	12 789 371	13 770 175	16 643 898
		Total Shareholder's Equity	27 877	45 667	68 624
		There has been no material adverse change in the Guarantor's prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Guarantor since 31 December 2014.			
B.19/B.13	<i>Recent events particular to the Guarantor which are to a material extent relevant to evaluating the Guarantor's solvency.</i>	Not applicable. There are no recent events affecting the Guarantor that are materially relevant to evaluating its solvency.			
B.19/B.14	<i>Extent of dependency of the Guarantor with regard to other entities in the Group.</i>	Please also refer to Element B.19/B.5 above. The Guarantor is 99.99% owned by Exane SA.			
B.19/B.15	<i>Principal activities of the Guarantor</i>	Pursuant to article 2 of its by-laws, the Guarantor's corporate objects are, "within the limits set forth by legal and regulatory provisions applicable to financial companies and subject to the provisions of the last subparagraph of this article: – to provide, both in France and outside France, investment services, services related to investment services as defined by applicable regulations, and for the purpose of its derivative products business, certain banking operations ancillary to the provision of investment services, such as in particular: – granting of associated loans and guarantees, – receipt of term deposits; – to participate, both in France and outside France, in all commercial, financial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism. – The Company shall perform these activities which are subject, under the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company." The Guarantor is authorised to provide certain investment services as			

Element	Title	
		defined in article L.321-1 of the French monetary and financial code as explained above, as well as, for the purpose of its derivative products business, certain banking services complementary to the provision of investment services, such as granting associated loans and guarantees and receiving term deposits. The Guarantor distributes debt instruments (bonds and certificates) and warrants both in France and abroad. Under the current scheme of issues of warrants and debt instruments (bonds and certificates), a first demand guarantee for these issues is provided for the investors by the Guarantor in favour of Exane Finance SA (the Issuer). The Guarantor carries out brokering activities on listed derivatives products on behalf of institutional customers and carries out proprietary transactions of securities and derivatives. The Guarantor has also issued a declaration concerning the freedom of services throughout the territories in the following countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Spain, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, the Republic of Czechoslovakia, Romania, the United Kingdom, Slovakia, Slovenia and Sweden. The Guarantor is not subject to any specific confidentiality requirements, other than those commonly accepted in the exercise of its business as an investment services provider.
B.19/B.1 6	Entity(ies) or person(s) directly or indirectly holding or controlling the Guarantor	As at 31 December 2014, the Guarantor's shares are distributed as follows: 1,724,831 shares held by Exane SA 1 share held by Exane Finance SA Exane Derivatives SNC has two subsidiaries, each 99.9% owned: Ellipsis Asset Management SAS and Exane Options SA. Exane Derivatives SNC is a 99.9% directly owned subsidiary of Exane SA and is a fully consolidated company.
B.19/B.1 7	Rating assigned to the Guarantor or its debt securities	Guarantor's long term credit rating is for Moody's: Baa2 with a stable outlook. Guarantor's long term credit rating is for Standard & Poor's: BBB+ (BBB which means, as per the definition appearing on the website of Standard & Poor's, "adequate capacity to meet financial commitments, but more subject to adverse economic conditions – Note: 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") with a stable outlook and Guarantor's short term credit rating is for Standard & Poor's: A-2 with a stable outlook.

Section C – Securities

Element	Title	
C.1	Nature, class and identification of the Securities	The Securities do not constitute "<i>obligations</i>" within the meaning of article L.228-38 of the French commercial code. Although issued in series, each Security shall constitute a separate and distinct debt instrument. However, the Securities may be consolidated and form a single series with earlier Tranches. Series n°: [●] Tranche n°: [●] Type of Securities: The Securities are [Certificates] / [CLN] / [Hybrid Securities] ISIN Code: [●] Common Code: [●] Central Depository: [●]
C.2	Currencies	The currency of the Securities is [●] and the settlement currency is [●].
C.5	Description of any restriction on the free transferability of the Securities	Not applicable. There are no restrictions on the free transferability of the Securities subject to any selling and transfer restrictions which may apply in certain jurisdictions.
C.8	Description of the rights attached to the Securities including ranking and limitation to those rights and procedure for the exercise of those rights	<i>Rights attached to the Securities</i> The Securities will give right to each holder of Securities (an Holder) to receive a [(if Securities are derivative instruments on which Annex XII applies, please insert the following paragraph; otherwise, please delete) Final Settlement Amount, an Automatic Early Settlement Amount, an Optional Settlement Amount at the Issuer's discretion and/or an Optional Settlement Amount at the Holder's discretion as specified in Element C.18 hereafter and, if applicable, to interest amounts described in this Element C.18.] / [(if Securities are debt securities on which Annex V applies, please insert the following paragraph; otherwise, please delete) Final Settlement Amount, an Automatic Early Settlement Amount, an Optional Settlement Amount at the Issuer's discretion and/or an Optional Settlement Amount at the Holder's discretion as specified in Element C.9 hereafter and to interest amounts described in this Element C.9.] <i>Status and ranking of the Securities and the Exane Guarantee</i> The Securities constitute direct, unconditional and unsubordinated obligations of the Issuer that shall rank equally (<i>pari passu</i>) with each other and with all other direct, unconditional and

Element	Title	
		unsubordinated obligations of the Issuer, both present and future, (subject to contrary mandatory provisions in force at the relevant time). The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any and all amounts due by the Issuer in respect of the Securities as and when the same shall become due and payable. The Exane Guarantee given by the Guarantor in respect of the Securities shall constitute a direct, unsubordinated obligation of the Guarantor and shall rank equally (<i>pari passu</i>) with its other direct, unconditional and unsubordinated obligations, both present and future (with the exception of preferred obligations under the law). <i>[(Insert if the Securities benefit from a pledging of securities account) In addition to the Exane Guarantee of the Guarantor, payments due under the Securities will benefit from an additional guarantee in the form of a pledging of securities account in accordance with article L. 211-20 and articles D. 211-10 et seq. of the French monetary and financial code (the Pledge). This Pledge shall be granted by Exane Derivatives SNC (the Pledgor) for the benefit of the Holders.</i> Pledge : <i>[Not applicable / applicable]</i> <i>(if applicable, complete, otherwise please delete the following paragraph)</i> Date of Statement of Pledge: [●] Secured Debt: Each payment obligation and liability due under the Securities, whether present or future, actual, contingent or owed jointly or severally (or any other capacity whatsoever), of the Issuer to the Holders, within the limits of the mark to market of the Securities without Issuer spread. Eligible Financial Instruments recorded in the pledged account: [●]
		<i>Early Termination Event</i> (i) Any Holder may trigger the settlement (in the case of Certificates) or the settlement (in the case of CLN or Hybrid Securities) of each of the Securities that it holds if any of the following events or circumstances occurs: (ii) failure by the Issuer to pay (x) the principal or (y) the interest within fifteen (15) days of the date on which such payment became due and payable; or (iii) failure by the Issuer to perform any of its obligations in respect of the Securities, failure by the Guarantor to perform any of its obligations in respect of the Exane Guarantee,

Element	Title	
		failure by the Pledgor to perform any of its obligations with respect to the Pledge (under certain conditions), if such failure is not remedied within 45 days from the date the Financial Agent receives notice of such failure given by the Holder of the relevant Securities; or (iv) a liquidator, a provisional liquidator, an official receiver or an ad hoc agent, acting pursuant to the company law governing the Issuer or a significant portion of its assets, liabilities or holdings is appointed, or any person benefiting from a security interest takes possession of all or part of the assets or holdings of the Issuer, or the Issuer takes measures to obtain protection or obtains protection from its creditors pursuant to the governing legislation, or the Issuer generally ceases to make its payments, or ceases or threatens to cease operating its business, but excluding a merger or reorganisation operation under which all of the Issuer's assets are transferred and in which all liabilities and debt (including the Securities) of the Issuer are assumed by another entity which may continue the activity of the Issuer ; or (v) the Guarantor requests the appointment of a mediator, reaches an amicable settlement with its creditors, has ceased to make payments, or a court ruling has ordered the liquidation of the Guarantor or approved a plan for full assignment of the Guarantor's business pursuant to court-ordered receivership proceeding, or the Guarantor is the subject of similar proceedings or, in the absence of legal proceedings, the Guarantor reaches a composition with its creditors, or a resolution is approved by the Guarantor to liquidate or dissolve the Guarantor, but excluding a merger or reorganisation operation under which all the Guarantor's assets are transferred, and all or the majority of the Guarantor's liabilities and debt (including the Securities) are assumed by another entity that continues the Guarantor's business; or (vi) the Exane Guarantee (or the Pledge, under certain conditions) is declared null and void, or claimed as such by the Guarantor. <i>Taxation – no gross-up</i> All payments of principal, interest and other revenues in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or charges of whatever nature, present or future, imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any authority therein or thereof having the power to tax, unless such withholding or deduction is required by law. If any applicable law

Element	Title	
		should require that payments of principal or interest or other income in respect of the Securities, be subject to any such withholding or deduction, neither the Issuer, nor the Guarantor nor the Pledgor will be required to pay additional amounts in respect of any such withholding or deduction. <i>Governing law</i> The Securities, the Exane Guarantee and the Pledge are governed by French law. <i>Limitation of the rights attached to the Securities</i> The right to bring action against the Issuer in relation to the Securities or interest expires after a period of five years (for principal) or 5 years (for interest) from the specified due date.
[please delete the Elements C.9 and C.10 if Securities are derivative instruments to which Annex XII of the Directive Prospectus applies]		
[C.9	Interest, maturity date and terms regarding redemption, yield and representation of Security Holders	Please refer to Element C.8 here above for a description of the rights attached to the Securities, Interest Payment Dates, Interest Periods and Interest Rate The applicable Final Terms shall specify the dates on which interest is payable, the applicable interest period and the calculation basis (fixed, floating or linked to an Underlying). The duration of the Interest Periods for the Securities and the applicable Interest Rate or the method of calculation may remain constant or vary for each Series of Securities. The Securities may have a Maximum Interest Rate, a Minimum Interest Rate or both at the same time. <i>Fixed Rate Securities</i> Each Security bearing interest at a Fixed Rate shall bear interest calculated on its Nominal Value, as from the Interest Commencement Date, at an annual rate (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrears (unless provided otherwise in the Final Terms) on each Interest Payment Date until the Maturity Date (inclusive). <i>Floating Rate Securities</i> (a) Each Floating Rate Security shall bear interest at a rate calculated as follows: (b) on the same basis as the floating rate applicable to an interest rate swap transaction governed by a 2002 ISDA Master Agreement, supplemented by the 2006 ISDA Definitions, as published by the <i>International Swaps and Derivatives Association, Inc.</i>, or

Element	Title	
		(c) on the same basis as the floating rate specified in the relevant Final Terms applicable to a notional interest rate swap transaction in the relevant Specified Currency, in accordance with the 2007 <i>Fédération Bancaire Française</i> (FBF) Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules as published by the FBF, or (d) by reference to EUR-EURIBOR-Reference Banks, IBOR, EONIA or CMS, in each case, as adjusted by reference to the applicable Margin, if any. <i>Zero Coupon Securities</i> Zero Coupon Securities may be issued at par or at a discount to par and shall not bear interest, except in the case of late payment. <i>Partly Paid Securities</i> In the case of Partly Paid Securities, interest shall accrue on the paid-up Nominal Value of such Securities. <i>Securities linked to one or more Underlying(s)</i> For interest payments on Securities linked to one or more Underlyings, refer to Element C.10 below. <i>Maturities</i> All maturities, subject to all applicable laws, regulations and directives. <i>Final Settlement</i> Subject to a buy-back and cancellation or early settlement of the Securities, the Securities shall be redeemed on the Maturity Date at the Final Settlement Amount as specified hereafter. <i>Early Settlement</i> The early settlement amount means the fair market value of the relevant Security and/or the quantity of Underlyings to be Delivered, as determined by the Calculation Agent. <i>Automatic Early Settlement</i> The automatic early settlement amount payable in respect of the Securities shall, if applicable, as specified hereafter.

Element	Title	
		<i>Optional Settlement</i> The applicable Final Terms prepared for each issue of Securities shall specify whether such Securities may be settled (in whole or in part) before their specified maturity date at the option of the Issuer and/or the Holders and, if applicable, the terms applicable to such settlement. The optional settlement amount shall be calculated, if applicable, as specified hereafter. <i>Early settlement for tax reasons</i> The Securities may be redeemed early at the option of the Issuer for tax reasons. <i>Collective representation of Holders</i> Each Security constituting a separate debt security, there shall be no collective Holder representation. <i>Interest Basis:</i> [Fixed Rate of [●]%] / [EUR-EURIBOR-Reference Banks /IBOR/EONIA/CMS +/- [●]% Floating Rate] / [Partly-Paid Paid] / [Zero Coupon] / [For interest payments on Securities linked to one or more Underlyings, refer to Element C.10] <i>Interest Commencement Date:</i> [●] <i>Maturity Date:</i> [●] <i>Final Settlement Amount:</i> [[●] / In accordance with Condition 1(a) / Fixed Settlement Amount, i.e. an amount equal to [currency] [nominal value of the Securities] / [Not applicable]. <i>Automatic Early Settlement Amount:</i> [[●] / In accordance with Condition 1.1 / Fixed Settlement Amount, i.e. an amount equal to [currency] [nominal value of the Securities] / [Not applicable]. <i>Securities settled by instalments:</i> Not applicable <i>Issuer Settlement Option:</i> [[●] / In accordance with Condition 1.1 / Fixed Settlement Amount, i.e. an amount equal to [currency][nominal value of the Securities] [Not applicable]] <i>Holder Settlement Option:</i> [[●] / In accordance with Condition 1.1 / Fixed Settlement Amount, i.e. an amount equal to [currency][nominal value of the Securities] / [Not applicable]] <i>Yield</i> [The yield on the Securities is [•]] (Include for Fixed Rate Securities only) / [Not applicable.]

Element	Title	
		<i>Name of representative of Securities Holders</i> Not applicable. No representative of securities Holder has been appointed.]
/C.10	Payment of interest linked on derivative instruments	Please also refer to Element C.9 above. The payment of interests for the Securities shall be either (a) linked to one or more or a combination of shares, indices, units or shares of collective investment schemes, futures contracts, exchange rates, debt instruments, listed options or commodities ("Certificates") or (b) linked to the creditworthiness of the relevant reference entity/ies ("Credit Linked Notes" or "CLN") or (c) linked to a combination of one or more Underlyings of the Certificates with one or more credit events in respect of one or more reference entities of the CLN ("Hybrid Securities", together with the CLN and the Certificates, the "Securities linked to one or more Underlyings") The value of an investment in the Securities is affected by: [the performance [(for Securities linked to one or more Share(s)) of the relevant share(s)] / [(for Securities linked to one or more Index(es)) of the relevant index(es)] / [(for Securities linked to one or more Futures Contract(s)) of the relevant futures contract(s)] / [(for Securities linked to one or more Fund Unit(s)) of the relevant fund unit(s)] / [(for Securities linked to one or more Exchange Rate(s)) of the relevant exchange rate(s)] / [(for Securities linked to one or more Debt Instrument(s)) of the relevant debt instrument(s)] / [(for Securities linked to one or more Listed Option(s)) of the relevant listed option(s)] / [(for Securities linked to one or more Commodity(ies)) of the relevant commodity(ies)] [(for CLN) the credit and default risk on one or more reference entity(ies)]. [(for Hybrid Securities) the credit and default risk on one or more reference entity(ies) and the performance (insert the headings relating to the applicable Certificate Underlying(s))] Indeed this (these) Underlyings has (have) an impact on the amount of interests which is calculated in accordance with the formula specified in Element C.10 hereafter. Interest payments on Securities linked to one or more Underlyings are referenced to: [for Securities linked to one or more Share(s) : specify the share or the shares] / [for Securities linked to one or more Index(Indices) : specify the index or indices] /

Element	Title	
		<i>[for Securities linked to one or more Futures Contract(s): specify the futures contract(s)] /</i> <i>[for Securities linked to one or more Fund Unit(s): specify the fund unit(s)] /</i> <i>[for Securities linked to one or more Exchange Rate(s): specify the exchange rate(s)] /</i> <i>[for Securities linked to one or more Debt Instrument(s): specify the debt instrument(s)] /</i> <i>[for Securities linked to one or more Listed Option(s): specify the listed option(s)] /</i> <i>[for Securities linked to one or more Commodity(ies): specify the commodity(ies)] /</i> <i>[for CLN: specify the credit and default risk of one or more reference entity(ies)] /</i> <i>[for Hybrid Securities: specify the credit and default risk of one or more reference entity(ies) and specify the applicable indexation(s) depending on the applicable Certificate Underlying(s)]</i> <i>(Insert the following paragraph if interest payments are linked to one or more Pay-Off Formula(ae)) [Interest payments on Securities linked to one or more Underlying(s) shall be calculated in accordance with the following calculation formula : Interest Amount linked to a Formula or to an Applicable Value / Coupon Floored to the Previous Coupon / Coupon Capped to the Previous Coupon / Conditional Coupon / Tempo Coupon / Performance Detached Coupon / Capped and Floored Performance Detached Coupon / Fixed Coupon/</i>
C.11	Admission to trading	An application may be made, at the option of the Issuer for certain Securities admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Securities may also be admitted to trading on any other exchange or any other regulated market and/or any non-regulated market as the Issuer and relevant Dealer may agree. The Securities may also not be admitted to trading. [An application for admission of the Securities to trading on <i>(specify)</i> as from [●] [has been made]/ [will be made by the Issuer (or on its behalf)].] / [Not applicable. No application for admission to trading will be made.]
<i>[please delete the Elements C.15 to C.20 if Securities are debt securities to which Annex V of the Directive Prospectus applies]</i>		
/C.15	Description of the impact of the value of the underlying on the	The settlement amounts, interest and deliverables on Securities linked to one or more Underlying(s) depend on the value of the

Element	Title	
	value of the investment	Underlying which is likely to affect the value of the investment in the Securities. The value of Securities linked to one or more Underlying(s) may be affected by: [the performance [(for Securities linked to one or more Share(s)) of the relevant share(s)] / [(for Securities linked to one or more Index(es)) of the relevant index(es)] / [(for Securities linked to one or more Futures Contract(s)) of the relevant futures contract(s)] / [(for Securities linked to one or more Fund Unit(s)) of the relevant fund unit(s)] / [(for Securities linked to one or more Exchange Rate(s)) of the relevant exchange rate(s)] / [(for Securities linked to one or more Debt Instrument(s)) of the relevant debt instrument(s)] / [(for Securities linked to one or more Listed Option(s)) of the relevant listed option(s)] / [(for Securities linked to one or more Commodity(ies)) of the relevant commodity(ies)] / [(for CLN) the credit and default risk on one or more reference entity(ies)]. [(for Hybrid Securities) the credit and default risk on one or more reference entity(ies) and the performance (insert the headings relating to the applicable Certificate Underlying(s)). Indeed this (these) Underlyings has (have) an impact on the Final Settlement Amount, the Automatic Early Settlement Amount, the Optional Settlement Amount at the Issuer's discretion and/or the Optional Settlement Amount at the holder's discretion which are calculated in accordance with the formula specified in Element C.18 above and on the amount of interests, if any, which is calculated in accordance with the formula specified in Element C.18 below. /
C.16	Securities linked to one or more Underlying(s) –Maturity Date	[The Maturity Date of Securities linked to one or more Underlying(s) is [specify the Scheduled Maturity Date]. / the Certificates are undated perpetual Certificates and have no fixed Maturity Date.]
C.17	Securities linked to one or more Underlying(s) – Settlement-delivery	Securities linked to one or more Underlying(s) shall be settled [in cash] / [by Physical Delivery] / [by auction].
C.18	Return on Securities linked to one or more Underlying(s)	The return on Securities linked to one or more Underlying(s) shall be take place as follows :
		Nominal Value: [●]
		INTEREST
		[No payment of interests for the securities shall be due.]

Element	Title																			
		[(In the case of Fixed Rate Interest, please insert the following) Fixed Rate Interest] <table border="1"> <tr> <td>Rate(s) of Interest</td><td>[●]</td></tr> <tr> <td>Interest Payment Date(s)</td><td>[●]</td></tr> <tr> <td>Fixed Coupon Amount:</td><td>[●]</td></tr> </table> [(In the case of Floating Rate Interest, please insert the following) Floating Rate Interest] <table border="1"> <tr> <td>Floating Rate</td><td>[EUR-EURIBOR-Reference Banks /IBOR/EONIA/CMS] / [Method of Floating Rate determination]</td></tr> <tr> <td>Margin</td><td>+/- [●]%</td></tr> <tr> <td>Scheduled Periods / relevant Interest Payment Dates</td><td>[●]</td></tr> </table> [(Insert the following paragraph if interest payments are linked to an Underlying(s)) The payment of interests for the Securities shall be either (a) linked to one or more or a combination of shares, indices, units or shares of collective investment schemes, futures contracts, exchange rates, debt instruments, listed options or commodities ("Certificates") or (b) linked to the creditworthiness of the relevant reference entity/ies ("Credit Linked Notes" or "CLN") or (c) linked to a combination of one or more Underlyings of the Certificates with one or more credit events in respect of one or more reference entities of the CLN ("Hybrid Securities", together with the CLN and the Certificates, the "Securities linked to one or more Underlyings") <table border="1"> <tr> <td rowspan="5">Interest Basis</td><td>Interest payments on Securities linked to one or more Underlyings are referenced to:</td></tr> <tr> <td>[for Securities linked to one or more Share(s) : specify the share or the shares] /</td></tr> <tr> <td>[for Securities linked to one or more Index(Indices) : specify the index or indices] /</td></tr> <tr> <td>[for Securities linked to one or more Futures Contract(s): specify the futures contract(s)] /</td></tr> <tr> <td>[for Securities linked to one or more Fund</td></tr> </table>	Rate(s) of Interest	[●]	Interest Payment Date(s)	[●]	Fixed Coupon Amount:	[●]	Floating Rate	[EUR-EURIBOR-Reference Banks /IBOR/EONIA/CMS] / [Method of Floating Rate determination]	Margin	+/- [●]%	Scheduled Periods / relevant Interest Payment Dates	[●]	Interest Basis	Interest payments on Securities linked to one or more Underlyings are referenced to:	[for Securities linked to one or more Share(s) : specify the share or the shares] /	[for Securities linked to one or more Index(Indices) : specify the index or indices] /	[for Securities linked to one or more Futures Contract(s): specify the futures contract(s)] /	[for Securities linked to one or more Fund
Rate(s) of Interest	[●]																			
Interest Payment Date(s)	[●]																			
Fixed Coupon Amount:	[●]																			
Floating Rate	[EUR-EURIBOR-Reference Banks /IBOR/EONIA/CMS] / [Method of Floating Rate determination]																			
Margin	+/- [●]%																			
Scheduled Periods / relevant Interest Payment Dates	[●]																			
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	[for Securities linked to one or more Share(s) : specify the share or the shares] /																			
	[for Securities linked to one or more Index(Indices) : specify the index or indices] /																			
	[for Securities linked to one or more Futures Contract(s): specify the futures contract(s)] /																			
	[for Securities linked to one or more Fund																			

Element	Title		
			Unit(s): specify the fund unit(s)] /
			[for Securities linked to one or more Exchange Rate(s): specify the exchange rate(s)] /
			[for Securities linked to one or more Debt Instrument(s): specify the debt instrument(s)] /
			[for Securities linked to one or more Listed Option(s): specify the listed option(s)] /
			[for Securities linked to one or more Commodity(ies): specify the commodity(ies)] /
			[for CLN : specify the credit and default risk of one or more reference entity(ies)] /
			[for Hybrid Securities: specify the credit and default risk of one or more reference entity(ies) and specify the applicable indexation(s) depending on the applicable Certificate Underlying(s)]
		Coupon payment	<i>(Insert the following paragraph if interest payments are linked to one or more Pay-Off Formula(ae))</i> [Interest payments on Securities linked to one or more Underlying(s) shall be calculated in accordance with the following calculation formula : Interest Amount linked to a Formula or to an Applicable Value / Coupon Floored to the Previous Coupon / Coupon Capped to the Previous Coupon / Conditional Coupon / Tempo Coupon / Performance Detached Coupon / Capped and Floored Performance Detached Coupon / Fixed Coupon]
		SETTLEMENT AMOUNT	
		[(In the case of final settlement, please insert the following) Final Settlement	
		Final Settlement Amount:	In accordance with Condition 1.1 /Fixed Settlement Amount / Bond linked Settlement Amount / Delta One Settlement Amount / Indexed Settlement Amount / Conditional Settlement Amount / Composite Settlement Amount / Final Settlement Amount Nominal Value / Alternative Settlement Amount / N/A
		[(In the case of automatic early settlement, please insert the following) Automatic Early Settlement	
		Automatic Early	In accordance with Condition 1.1 /Fixed

Element	Title		
		Settlement Amount	Settlement Amount / Bond linked Settlement Amount / Delta One Settlement Amount / Indexed Settlement Amount / Conditional Settlement Amount / Composite Settlement Amount Final Settlement Amount Nominal Value / Alternative Settlement Amount / N/A
		Automatic Early Settlement Date	[insert the relevant date]
		[(In the case of early settlement at the Issuer's discretion, please insert the following) Settlement Option at the Issuer's discretion]	
		Optional Settlement Amount	In accordance with Condition 1.1 /Fixed Settlement Amount / Bond linked Settlement Amount / Delta One Settlement Amount / Indexed Settlement Amount / Conditional Settlement Amount / Composite Settlement Amount Final Settlement Amount Nominal Value / Alternative Settlement Amount / N/A
		Optional Settlement Date(s)	[insert the relevant date(s)]
		[(In the case of early settlement at the Holder's discretion, please insert the following) Settlement Option at the Holder's discretion]	
		Optional Settlement Amount	In accordance with Condition 1.1 /Fixed Settlement Amount / Bond linked Settlement Amount / Delta One Settlement Amount / Indexed Settlement Amount / Conditional Settlement Amount / Composite Settlement Amount
		Optional Settlement Date(s)	[insert the relevant date(s)]
C.19	Securities linked to one or more Underlying(s) – Exercise Price or Final Reference Price	The exercise price or reference price of one or more Underlying(s): the value of the relevant Underlying(s) at the final determination date as determined by the Calculation Agent (which is [Exane Derivatives SNC]), subject to any adjustments or any extraordinary events which may affect the Underlying(s).	
C.20	Securities linked to one or more Underlying(s) – Description of the underlying and where information on it may be obtained	The underlying(s) of Securities linked to one or more Underlying(s) [is/are] [for Securities linked to one or more Share(s) : specify the share or the shares] / [for Securities linked to one or more Index(Indices) : specify the index or indices] / [for Securities linked to one or more Futures Contract(s): specify the futures contract(s)] /	

Element	Title	
		<i>[for Securities linked to one or more Fund Unit(s): specify the fund unit(s)] / [for Securities linked to one or more Exchange Rate(s): specify the exchange rate(s)] / [for Securities linked to one or more Debt Instrument(s): specify the debt instrument(s)] / [for Securities linked to one or more Listed Option(s): specify the listed option(s)] / [for Securities linked to one or more Commodity(ies): specify the commodity(ies)] / [for CLN : specify the credit and default risk of one or more reference entity(ies)] / [for Hybrid Securities: specify the credit and default risk of one or more reference entity(ies) and specify the applicable Certificate Underlying(s)]</i> and the information on such underlying(s) may be found <i>[specify the relevant website, etc.]</i>.

Section D – Risks

Element	Heading	
D.2	Key information on the principal risks that are specific to the Issuer or its operations and activity	As far as the Issuer and the Guarantor are concerned, several risk factors may affect their ability to perform their obligations under the Securities: Group's Risk : the Exane group is exposed to risks inherent in its core businesses ; Risk management: the risk management strategies and techniques put in place by the Issuer and the Guarantor may fail; notably with risks that not identified or anticipated that may cause unexpected losses ; Credit risk; risk of loss due to default by the Issuer or the Guarantor ; Solvency of the Issuer and of the Guarantor: investors are only relying on the solvency of the Issuer and of the Guarantor and on no other person. The Securities and the Exane Guarantee rank equally with all other unsubordinated and unsecured contractual obligations of the Issuer and the Guarantor, and after preferred obligations, including those preferred by operation of law ; Monoline business: the Issuer's and the Guarantor's business activities are dependent on the behaviour of equities markets and are impacted by both domestic and international economic and political events; Capital adequacy: the implementation of various regulations on capital adequacy may have an impact on the profitability of the activities of the Issuer and/or the Guarantor; European Union Crisis Management Directive: the impacts of this directive are difficult to assess and its transposition into national law could adversely affect the rights of the Holders, the price or value of their investment in the Securities and/or the ability of the

Element	Heading	
		Issuer and/or the Guarantor to fulfill its obligations under the Securities; Operational risk: risk of loss or sanctions arising from the inadequacies or failures in internal procedures, human error or external events; Fair market value risk: the new rules relating to financial instruments recognition and measurement may lead to fluctuations in the shareholders equity and more generally in the financial statements of the Issuer or the Guarantor; Impact of regulatory changes: changes in regulations could materially affect the business of the Issuer and of the Guarantor; Reputational risk: mismanagement of potential conflicts of interest, legal and regulatory requirements, ethical issues, money-laundering laws, information security policy and sales and transaction practices may harm the reputation of the Issuer and/or of the Guarantor; and Service of process on or enforcement of judgements against the Issuer and/or the Guarantor in the United States of America: it may not be possible to effect service of process on or enforce judgements against the Issuer and/or the Guarantor in the United States of America.
<i>[please delete the Elements D.3 if Securities are derivatives instruments to which Annex XII of the Directive Prospectus applies]</i>		
[D.3]	Key information on the principal risks that are specific to the Securities	Several risk factors are material for the purpose of assessing the market risks associated with Securities issued under the Programme: General, market and other risks: Suitability of the investment: Securities may not be an appropriate investment for all investors; Potential Costs of dealing and holding Securities: incidental cost linked to dealing and holding Securities may reduce or cancel out any potential benefit on the Securities; Hedging considerations: the value of the Securities during their life may not exactly offset the loss realised on the hedged underlying; Rights in respect of the Underlying(s): the Securities do not confer any rights against the Underlying(s); Possible lack of liquidity for the Securities on the secondary market: Securities may not have a secondary market established when issued. There can be no assurance that an active market for the Securities will develop on the market where the Securities are listed or that liquidity will exist at any time on this market, if it develops. Consequently, investors may not be able to sell their Securities before their maturity date; Volatility affecting the secondary market for Securities: the occurrence of events may have a negative impact of the price of Securities;

Element	Heading	
		Legal constraints possibly restricting certain investments: each investor has to review himself or with its legal counsel the appropriate treatment of the Securities in a legal point of view; Leverage : Securities with a leverage factor involve a high level of risk implying a greater losses compared to similar Securities, in the event of loss; Taxation: potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other charges or documentary duties in accordance with the laws and practices of the country where the Securities are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as Securities; Change in law: no assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus. French Insolvency Law: under French insolvency law, some creditors are grouped into a committee. The decision of this committee may lead to an increase of Holders' liabilities, an unequal treatment between the creditors, or a conversion of the debt into securities. Savings Directive: paying agents based in a Member State have to report to their tax authorities certain information with respect to interest payment (or similar income) made to beneficial owners domiciled in another Member State; U.S Foreign Account Tax Compliance Act (FATCA): withholding at source imposed by FATCA rules in the United States may impact the Securities; Hiring Incentives to Restore Employment Act (HIRE Act): US legislation on payments equivalent to dividends may impact on the Securities; Financial Transaction Tax (FTT): A common FTT may be progressively implemented in some Member States of the European Union and could, if introduced, apply to Securities; European Market Infrastructure Regulation and Markets in Financial Instruments Directive (EMIR) : the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Hedging Party's ability to engage in transactions in OTC derivatives; The Bank Recovery and Resolution Directive (BRRD): once implemented, Holders may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such Holders losing some or all of their investment. Risks relating to Physical Settlement: the Issuer shall not be liable under any circumstances if it is not able to deliver, or procure delivery, to the relevant holder by reason of applicable laws, regulations and practices; Risks linked to Underlying Risks relating to the Underlying(s): these risks encompass among others any risk linked to fluctuations in the price, level or rate, as the case may be, of the share, the index, the commodity, a unit of the fund, the futures contract, the listed option, the exchange rate, the

Element	Heading	
		debt instrument as well as the management policies by an index sponsor for the index. In addition, as the investor will not be the beneficial owner of the underlyings, it will not be entitled to any dividends or similar amounts or to exercise any rights granted to beneficial owners of the underlying(s), if the underlying(s) permits it; Potential conflicts of interest: the Issuer, the Guarantor or their subsidiaries may enter into transactions linked to the underlying(s) for their own account or for third party pursuant to their activity; Potential conflicts of interests in connection with proprietary indices: the Issuer, the Guarantor or any of their affiliates may be involved in proprietary indices and accordingly may face to a potential conflict of interests between its function under the Securities and the function under the proprietary indices; Emerging market risk: additional risks may be associated to Underlying which are located in, or subject to regulation in emerging or developing countries, securities which are denominated or traded in such countries or currencies of such countries; Calculation Agent: the Calculation Agent may have to make choices that may influence the amount receivable by the holders upon final settlement of the Securities and has wide discretionary powers to make such adjustments as it considers appropriate. Nevertheless, the Calculation Agent will act in the interest of the holders; Foreign exchange risk: the value of the Securities may be affected by fluctuations in exchange rates between any currency in which a payment must be made under the Securities and any currency in which an underlying is traded; Issuer Settlement Option: exercise of its early settlement option by the Issuer may cause the return anticipated by holders to be considerably less than anticipated ; Credit rating to Securities: credit rating agency may assign credit ratings to certain Securities, however those credit ratings do not constitute a guarantee of the quality of the Securities Downgrading or withdrawal of the Guarantor's credit rating: downgrading or withdrawal of the Guarantor's credit rating may affect adversely the market value of the Securities. <i>[(for Secutrities linked to share or a basket of share, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying share or basket of shares: The market price of the Securities may be volatile and may be affected by the residual term to maturity, the volatility of the relevant share or shares, the dividend rate (if any) and the financial results and prospects of the Issuer or issuers of the relevant share or shares. The market price of these Securities may also be affected by the actions or decisions taken by the issuer of the share, economic, financial and political events occurring in any one or more countries, including factors affecting stock exchanges or quotation systems on which the shares may be traded. An investment in Securities linked to share or shares may involve market risks similar to those of investing directly in the share or shares. As the investor will not be the beneficial owner of the shares, it will not be entitled to any dividends or similar amounts paid on the shares or to exercise any rights granted to beneficial owners. In addition the issuers of the shares are not involved in the offer of the Securities in any way and have no obligation to consider the interests of the Holders.] <i>[(for Securities linked to Exchange Traded Fund, please insert the following paragraph; otherwise, please delete)]</i>

Element	Heading	
		Risk linked to the underlying Exchange Traded Fund (ETF): the investors of the Securities are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including complying with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly. The management company of the ETF, ETF Administrator or ETF Advisor will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The management company of the ETF. Action or non-performance by the management company of the ETF, ETF Administrator or ETF Advisor may adversely affect the Securities <i>[(for Securities linked to Index or Basket of Indices, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying index or basket of indices: The market price of the Securities may be volatile and may depend on the residual term to maturity and the volatility of the level of the Index or Indices. The level of the Index or Indices may be affected by economic, financial and political events occurring in any one or more countries, including on the exchanges or quotation systems on which the securities comprising the Index or Indices may be traded. The Index may reference shares, bonds or other securities, it may also be a real estate index referencing data on real estate prices which are subject to market price fluctuations, or reference various assets or indices. The policies of the sponsor may affect the value of the index or indices. <i>[(for Securities linked to Proprietary Indices, please insert in addition the following paragraph, otherwise, please delete)]</i> The sponsor may execute transactions on the underlyings comprised in the proprietary index, whether for hedging purposes relating to the Securities or otherwise. These transactions may have a positive or negative impact on the value of the underlyings comprised in the proprietary index and accordingly on the value of the Securities. On 18 September 2013, the European Commission issued a draft proposed regulation (2013/0314) with respect to indices and reference indices ("benchmarks") used in connection with financial instruments and financial contracts (the "Proposal"). The purpose of the Proposal is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interest arising.]] <i>[(for Securities linked to Commodity or Basket of Commodities, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying commodity or basket commodities: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price of the commodity and/or level of the commodity index. The price of the commodities and/or level of the commodity index may be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the commodities or elements comprised in the commodity index may be traded. Accordingly, investments in Commodity linked Securities may involve market risks similar to those of a direct investment in the relevant commodity, and therefore potential investors should seek appropriate advice.] <i>[(for Securities linked to Fund or Basket of Funds, please insert the following paragraph; otherwise, please delete)]</i>

Element	Heading	
		Risk linked to the underlying fund or basket of funds: The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price or fluctuations in the price of units of one or more funds or which, depending on the price or fluctuations in the price of units of such fund(s), require the Issuer to deliver, upon settlement, a specific quantity of Fund Units. Accordingly, an investment in Securities linked to a Fund or Fund Basket may involve market risks similar to those of a direct investment in the relevant fund and potential investors must therefore seek appropriate advice. Investors should investigate the Underlying Fund(s) as if investing directly. The use of leverage may increase the risk of loss in the value of the Fund Units and the volatility of the markets may adversely affect the value of the Fund Units. In addition there is risk linked to the fund manager <i>[(for Securities linked to Futures Contract or Basket of Futures Contracts, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying futures contract or basket of futures contracts: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant futures contract(s). The price of the futures contract(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which such futures contract(s) may be traded.] <i>[(for Securities linked to Listed Option or Basket of Listed Options, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying listed option or basket of listed options: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant listed option(s). The price of the listed options may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant listed options may be traded.] <i>[(for Securities linked to Exchange Rate or Basket of Exchange Rates, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to underlying exchange rate or a basket of exchange rates: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant exchange rate(s). The exchange rate(s) may also be affected by economic, financial and political events occurring in any one or more countries. <i>[(for Securities linked to Debt Instrument or Basket of Debt Instruments, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to underlying debt instrument or basket of debt instruments: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant debt instrument(s). The price of the debt instrument(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant debt instruments may be traded.] <i>[(for Fixed Rate Securities, please insert the following paragraph; otherwise, please delete)]</i> Fixed Rate Securities may vary in value due to fluctuations in interest rates. Investors in Fixed Rate Securities are exposed to the risk that subsequent fluctuations in interest rates may adversely affect the value of the Securities.]

Element	Heading	
		<i>[(for Fixed/Floating Rate Securities, please insert the following paragraph; otherwise, please delete)]</i> Fixed/Floating Rate: Securities may bear interest at a fixed rate which the Issuer may elect to convert into a floating rate or at a floating rate which the Issuer may elect to convert into a fixed rate. The existence of this conversion option of the Issuer may affect the secondary market and the market value of the Securities to the extent that the Issuer may elect to convert the rate when this will enable it to reduce its overall borrowing costs. If the Issuer converts a fixed rate into a floating rate, the rate spread on Fixed/Floating Rate Securities may be less favourable than spreads on Floating Rate Securities with the same benchmark rate. Furthermore, the new floating rate may be lower at any time than the interest rate on its other Securities. If the Issuer converts a floating rate into a fixed rate, the fixed rate may be lower than the rates on its other Securities.] <i>[(for Floating Rate Securities, please insert the following paragraph; otherwise, please delete)]</i> Floating Rate: Security Holders may not be able to calculate in advance the return on Floating Rate Securities One key difference between Floating Rate Securities and Fixed Rate Securities is that the interest income on Floating Rate Securities cannot be determined in advance. Due to the variation in interest income, investors may not be able to determine precisely the return on Floating Rate Securities at the time they acquire them such that the return on their investment cannot be compared with investments with longer fixed interest periods. If the terms of the Securities provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates fall. However, investors may reinvest interest income paid to them only at the lowest prevailing rate at such time. Furthermore, the Issuer's capacity to issue both Fixed Rate Securities and Floating Rate Securities may affect the market value and the secondary market (if applicable) for Floating Rate Securities (and vice versa) <i>[(for Zero Coupon Securities, please insert the following paragraph; otherwise, please delete)]</i> Zero Coupon Securities The prices at which Zero Coupon Securities, as the other Securities issued at a significant discount to the amount payable at maturity, trade on the secondary market tend to be more volatile due to general variations in interest rates than the value of traditional interest-bearing securities with similar maturities.] <i>[(for Certificates, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to Certificates Any investment in Certificates involves significant risks which are not normally associated with a similar investment in traditional fixed or floating rate securities. In the opinion of the Issuer, acquiring Certificates should be restricted to investors who are well able to understand the particular risks of an investment in this type of instrument or who acquire them following the advice of a financial institution or other professional investors. <i>[(for undated perpetual Certificates with no fixed maturity date, please insert the following paragraph; otherwise, please delete)]</i> In addition, potential investors who intend to purchase undated perpetual Certificates with

Element	Heading	
		no fixed maturity date shall consider that this type of Certificates does not have a determined maturity. Therefore, the duration of the Certificates depends on a settlement option at the Issuer's discretion, if any, or on a settlement option at the Holders' discretion, if any. If there is no secondary market, there might be no possibility for the investors to sell the Certificates.]] <i>[(Insert if the Securities are subject to a Settlement Option at the Issuer's discretion, otherwise, please delete)]</i> Settlement Option at the Issuer's discretion: Any early settlement at the option of the Issuer could cause the return anticipated by Holders to be considerably less than anticipated. In addition, investors that choose to reinvest money they receive through an early settlement may be able to do so only in securities with a lower yield than the settled Securities.] <i>[(Insert if the Securities are subject to an Option Threshold Trigger, otherwise, please delete)]</i> Option Threshold Trigger: The Securities may be redeemed early in the event that the outstanding nominal amount falls below the Option Threshold Trigger. This could lead to investors receiving a settlement amount earlier than had been anticipated in circumstances over which the investors have no control and may significantly affect the value of their investment.] <i>[(for CLNs, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to CLNs: CLNs relate to the creditworthiness of the relevant Entity or Reference Entities. Investors should be aware that CLNs differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest (if applicable) payable by the Issuer depend on the occurrence of a Credit Event relating to one or more Reference Entities and, in the case of Index linked CLNs, the occurrence of certain other events. In certain cases, CLNs cease to bear interest (if applicable) and the amount paid to Holders on settlement may be less than their initial investment and may even be zero.] <i>[(for Hybrid Securities, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to Hybrid Securities: Investing in a Hybrid Security involves significant risks that cannot be compared to similar investments in fixed or floating rate debt instruments. Acquiring Hybrid Securities should be reserved for investors who are themselves qualified investors or who acquire their securities through the intermediary of a financial institution, in other words who are able to understand the particular risks of an investment in such type of financial instruments.]
<i>[please delete the Elements D.6 if Securities are debt instruments to which Annex V of the Directive Prospectus applies]</i>		
[D.6]	Basic information on material factors to enable risks associated with	Several risk factors are material for the purpose of assessing the market risks associated with Securities issued under the Programme:

Element	Heading	
	Securities linked to one or more Underlying(s) to be assessed	General, market and other risks Suitability of the investment: Securities may not be an appropriate investment for all investors; Potential Costs of dealing and holding Securities: incidental cost linked to dealing and holding Securities may reduce or cancel out any potential benefit on the Securities; Hedging considerations: the value of the Securities during their life may not exactly offset the loss realised on the hedged underlying; Rights in respect of the Underlying(s): the Securities do not confer any rights against the Underlying(s); Possible lack of liquidity for the Securities on the secondary market: Securities may not have a secondary market established when issued. There can be no assurance that an active market for the Securities will develop on the market where the Securities are listed or that liquidity will exist at any time on this market, if it develops. Consequently, investors may not be able to sell their Securities before their maturity date; Volatility affecting the secondary market for Securities: the occurrence of events may have a negative impact of the price of Securities; Legal constraints possibly restricting certain investments: each investor has to review himself or with its legal counsel the appropriate treatment of the Securities in a legal point of view; Leverage : Securities with a leverage factor involve a high level of risk implying a greater losses compared to similar Securities, in the event of loss; Taxation: potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other charges or documentary duties in accordance with the laws and practices of the country where the Securities are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as Securities; Change in law: no assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus. French Insolvency Law: under French insolvency law, some creditors are grouped into a committee. The decision of this committee may lead to an increase of Holders' liabilities, an unequal treatment between the creditors, or a conversion of the debt into securities. Savings Directive: paying agents based in a Member State have to report to their tax authorities certain information with respect to interest payment (or similar income) made to beneficial owners domiciled in another Member State;

Element	Heading	
		U.S Foreign Account Tax Compliance Act (FATCA): withholding at source imposed by FATCA rules in the United States may impact the Securities; Hiring Incentives to Restore Employment Act (HIRE Act): US legislation on payments equivalent to dividends may impact on the Securities; Financial Transaction Tax (FTT): A common FTT may be progressively implemented in some Member States of the European Union and could, if introduced, apply to Securities; European Market Infrastructure Regulation and Markets in Financial Instruments Directive (EMIR) : the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Hedging Party's ability to engage in transactions in OTC derivatives; The Bank Recovery and Resolution Directive (BRRD): once implemented, Holders may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such Holders losing some or all of their investment. Risks relating to Physical Settlement: the Issuer shall not be liable under any circumstances if it is not able to deliver, or procure delivery, to the relevant holder by reason of applicable laws, regulations and practices; Risks linked to Underlying Risks relating to the Underlying(s): these risks encompass among others any risk linked to fluctuations in the price, level or rate, as the case may be, of the share, the index, the commodity, a unit of the fund, the futures contract, the listed option, the exchange rate, the debt instrument as well as the management policies by an index sponsor for the index. In addition, as the investor will not be the beneficial owner of the underlyings, it will not be entitled to any dividends or similar amounts or to exercise any rights granted to beneficial owners of the underlying(s), if the underlying(s) permits it; Potential conflicts of interest: the Issuer, the Guarantor or their subsidiaries may enter into transactions linked to the underlying(s) for their own account or for third party pursuant to their activity; Potential conflicts of interests in connection with proprietary indices: the Issuer, the Guarantor or any of their affiliates may be involved in proprietary indices and accordingly may face to a potential conflict of interests between its function under the Securities and the function under the proprietary indices; Emerging market risk: additional risks may be associated to Underlying which are located in, or subject to regulation in emerging or developing countries, securities which are denominated or traded in such countries or currencies of such countries; Calculation Agent: the Calculation Agent may have to make choices that may influence the amount receivable by the holders upon final settlement of the Securities and has wide discretionary powers to make such adjustments as it considers appropriate. Nevertheless, the Calculation Agent will act in the interest of the holders; Foreign exchange risk: the value of the Securities may be affected by fluctuations in exchange rates between any currency in which a payment must be made under the Securities and any currency in which an underlying is traded;

Element	Heading	
		Issuer Settlement Option: exercise of its early settlement option by the Issuer may cause the return anticipated by holders to be considerably less than anticipated ; Credit rating to Securities: credit rating agency may assign credit ratings to certain Securities, however those credit ratings do not constitute a guarantee of the quality of the Securities Downgrading or withdrawal of the Guarantor's credit rating: downgrading or withdrawal of the Guarantor's credit rating may affect adversely the market value of the Securities. <i>[(for Securities linked to share or a basket of share, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying share or basket of shares: The market price of the Securities may be volatile and may be affected by the residual term to maturity, the volatility of the relevant share or shares, the dividend rate (if any) and the financial results and prospects of the Issuer or issuers of the relevant share or shares. The market price of these Securities may also be affected by the actions or decisions taken by the issuer of the share, economic, financial and political events occurring in any one or more countries, including factors affecting stock exchanges or quotation systems on which the shares may be traded. An investment in Securities linked to share or shares may involve market risks similar to those of investing directly in the share or shares. As the investor will not be the beneficial owner of the shares, it will not be entitled to any dividends or similar amounts paid on the shares or to exercise any rights granted to beneficial owners. In addition the issuers of the shares are not involved in the offer of the Securities in any way and have no obligation to consider the interests of the Holders.] <i>[(for Securities linked to Exchange Traded Fund, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying Exchange Traded Fund (ETF): the investors of the Securities are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including complying with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly. The management company of the ETF, ETF Administrator or ETF Advisor will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The management company of the ETF. Action or non-performance by the management company of the ETF, ETF Administrator or ETF Advisor may adversely affect the Securities <i>[(for Securities linked to Index or Basket of Indices, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying index or basket of indices: The market price of the Securities may be volatile and may depend on the residual term to maturity and the volatility of the level of the Index or Indices. The level of the Index or Indices may be affected by economic, financial and political events occurring in any one or more countries, including on the exchanges or quotation systems on which the securities comprising the Index or Indices may be traded. The Index may reference shares, bonds or other securities, it may also be a real estate index referencing data on real estate prices which are subject to market price fluctuations, or reference various assets or indices. The

Element	Heading	
		policies of the sponsor may affect the value of the index or indices. <i>[(for Securities linked to Proprietary Indices, please insert in addition the following paragraph, otherwise, please delete)]</i> The sponsor may execute transactions on the underlyings comprised in the proprietary index, whether for hedging purposes relating to the Securities or otherwise. These transactions may have a positive or negative impact on the value of the underlyings comprised in the proprietary index and accordingly on the value of the Securities. On 18 September 2013, the European Commission issued a draft proposed regulation (2013/0314) with respect to indices and reference indices ("benchmarks") used in connection with financial instruments and financial contracts (the "Proposal"). The purpose of the Proposal is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interest arising.]] <i>[(for Securities linked to Commodity or Basket of Commodities, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying commodity or basket commodities: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price of the commodity and/or level of the commodity index. The price of the commodities and/or level of the commodity index may be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the commodities or elements comprised in the commodity index may be traded. Accordingly, investments in Commodity linked Securities may involve market risks similar to those of a direct investment in the relevant commodity, and therefore potential investors should seek appropriate advice.] <i>[(for Securities linked to Fund or Basket of Funds, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying fund or basket of funds: The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price or fluctuations in the price of units of one or more funds or which, depending on the price or fluctuations in the price of units of such fund(s), require the Issuer to deliver, upon settlement, a specific quantity of Fund Units. Accordingly, an investment in Securities linked to a Fund or Fund Basket may involve market risks similar to those of a direct investment in the relevant fund and potential investors must therefore seek appropriate advice. Investors should investigate the Underlying Fund(s) as if investing directly. The use of leverage may increase the risk of loss in the value of the Fund Units and the volatility of the markets may adversely affect the value of the Fund Units. In addition there is risk linked to the fund manager. <i>[(for Securities linked to Futures Contract or Basket of Futures Contracts, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying futures contract or basket of futures contracts: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant futures contract(s). The price of the futures contract(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which such futures contract(s) may be traded.]

Element	Heading	
		<i>[(for Securities linked to Listed Option or Basket of Listed Options, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to the underlying listed option or basket of listed options: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant listed option(s). The price of the listed options may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant listed options may be traded.] <i>[(for Securities linked to Exchange Rate or Basket of Exchange Rates, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to underlying exchange rate or a basket of exchange rates: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant exchange rate(s). The exchange rate(s) may also be affected by economic, financial and political events occurring in any one or more countries. <i>[(for Securities linked to Debt Instrument or Basket of Debt Instruments, please insert the following paragraph; otherwise, please delete)]</i> Risk linked to underlying debt instrument or basket of debt instruments: The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant debt instrument(s). The price of the debt instrument(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant debt instruments may be traded.] <i>[(for Fixed Rate Securities, please insert the following paragraph; otherwise, please delete)]</i> Fixed Rate Securities may vary in value due to fluctuations in interest rates. Investors in Fixed Rate Securities are exposed to the risk that subsequent fluctuations in interest rates may adversely affect the value of the Securities.] <i>[(for Fixed/Floating Rate Securities, please insert the following paragraph; otherwise, please delete)]</i> Fixed/Floating Rate: Securities may bear interest at a fixed rate which the Issuer may elect to convert into a floating rate or at a floating rate which the Issuer may elect to convert into a fixed rate. The existence of this conversion option of the Issuer may affect the secondary market and the market value of the Securities to the extent that the Issuer may elect to convert the rate when this will enable it to reduce its overall borrowing costs. If the Issuer converts a fixed rate into a floating rate, the rate spread on Fixed/Floating Rate Securities may be less favourable than spreads on Floating Rate Securities with the same benchmark rate. Furthermore, the new floating rate may be lower at any time than the interest rate on its other Securities. If the Issuer converts a floating rate into a fixed rate, the fixed rate may be lower than the rates on its other Securities.] <i>[(for Floating Rate Securities, please insert the following paragraph; otherwise, please delete)]</i>

Element	Heading	
		Floating Rate: Security Holders may not be able to calculate in advance the return on Floating Rate Securities. One key difference between Floating Rate Securities and Fixed Rate Securities is that the interest income on Floating Rate Securities cannot be determined in advance. Due to the variation in interest income, investors may not be able to determine precisely the return on Floating Rate Securities at the time they acquire them such that the return on their investment cannot be compared with investments with longer fixed interest periods. If the terms of the Securities provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates fall. However, investors may reinvest interest income paid to them only at the lowest prevailing rate at such time. Furthermore, the Issuer's capacity to issue both Fixed Rate Securities and Floating Rate Securities may affect the market value and the secondary market (if applicable) for Floating Rate Securities (and vice versa).] <i>[(for Zero Coupon Securities, please insert the following paragraph; otherwise, please delete)]</i> Zero Coupon Securities: The prices at which Zero Coupon Securities, as the other Securities issued at a significant discount to the amount payable at maturity, trade on the secondary market tend to be more volatile due to general variations in interest rates than the value of traditional interest-bearing securities with similar maturities.] <i>[(for Certificates, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to Certificates: Any investment in Certificates involves significant risks which are not normally associated with a similar investment in traditional fixed or floating rate securities. In the opinion of the Issuer, acquiring Certificates should be restricted to investors who are well able to understand the particular risks of an investment in this type of instrument or who acquire them following the advice of a financial institution or other professional investors. <i>[(for undated perpetual Certificates with no fixed maturity date, please insert the following paragraph; otherwise, please delete)]</i> In addition, potential investors who intend to purchase undated perpetual Certificates with no fixed maturity date shall consider that this type of Certificates does not have a determined maturity. Therefore, the duration of the Certificates depends on a settlement option at the Issuer's discretion, if any, or on a settlement option at the Holders' discretion, if any. If there is no secondary market, there might be no possibility for the investors to sell the Certificates.]] <i>[(Insert if the Securities are subject to a Settlement Option at the Issuer's discretion, otherwise, please delete)]</i> Settlement Option at the Issuer's discretion: Any early settlement at the option of the Issuer could cause the return anticipated by Holders to be considerably less than anticipated. In addition, investors that choose to reinvest money they receive through an early settlement may be able to do so only in securities with a lower yield than the settled Securities.] <i>[(Insert if the Securities are subject to an Option Threshold Trigger, otherwise, please delete)]</i>

Element	Heading	
		Option Threshold Trigger: The Securities may be redeemed early in the event that the outstanding nominal amount falls below the Option Threshold Trigger. This could lead to investors receiving a settlement amount earlier than had been anticipated in circumstances over which the investors have no control and may significantly affect the value of their investment.] <i>[(for CLNs, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to CLNs: CLNs relate to the creditworthiness of the relevant Entity or Reference Entities. Investors should be aware that CLNs differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest (if applicable) payable by the Issuer depend on the occurrence of a Credit Event relating to one or more Reference Entities and, in the case of Index linked CLNs, the occurrence of certain other events. In certain cases, CLNs cease to bear interest (if applicable) and the amount paid to Holders on settlement may be less than their initial investment and may even be zero.] <i>[(for Hybrid Securities, please insert the following paragraph; otherwise, please delete)]</i> Risks relating to Hybrid Securities: Investing in a Hybrid Security involves significant risks that cannot be compared to similar investments in fixed or floating rate debt instruments. Acquiring Hybrid Securities should be reserved for investors who are themselves qualified investors or who acquire their securities through the intermediary of a financial institution, in other words who are able to understand the particular risks of an investment in such type of financial instruments. Warning: in certain circumstances, Holders may lose all or part of the value of their investment.]

Section E – Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds of the offer	[The net proceeds of the issue of Securities shall be used by the Issuer for its general financing purposes.] / <i>[Other (specify)]</i>
E.3	Terms and conditions of the offer	[Not applicable, the Securities are not being offered to the public.] / [The Securities are being offered to the public according the following provision : Public Offer Jurisdiction: [●]. Offer Period : From [●] to [●]. Offer Price : [●]. Conditions to which the Offer is subject: [●]. Description of the subscription procedure: [●].

Element	Title	
		Information on the minimum and/or maximum subscription amount: [●]. Manner in and date on which results of the offer are to be made public: [●]. Please also refer to the Element A.2]
E.4	Interests, including conflicting interests, that may materially impact the issue/offer	[Not applicable, as far as the Issuer is aware, no person involved in the issue has any material interest to the offer.] / [Subject to potential conflicts of interest between (<i>specify the relevant conflict of interest</i>), as far as the Issuer is aware, no person involved in the issue has any material interest to the offer.]
E.7	Estimate of expenses placed on the subscriber by the Issuer or the offeror	[The costs to be borne by the subscriber are estimated to be [●].] / [Not applicable, no costs are to be borne by the subscriber.]

RISK FACTORS

Prospective investor of Securities and any Holders of the Securities should carefully consider the following information in conjunction with other information contained in the Base Prospectus, any Supplement thereto, any documents incorporated by reference in the Base Prospectus (see the section "Documents Incorporated by Reference") and any Final Terms.

The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Securities issued under this Base Prospectus. Most of these factors are contingencies which may occur or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of such contingency occurring.

The Issuer and the Guarantor believe that the following factors represent the principal risks inherent in investing in the Securities issued under this Base Prospectus, but the inability of the Issuer or of the Guarantor to pay any amount under or in relation to the Securities may occur for other reasons. There are a wide range of factors which individually or together could result in the Issuer or the Guarantor becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer or the Guarantor may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's or Guarantor's control.

The order of presentation of the above described risk factors is not an indication of the likelihood of their occurrence.

Except where otherwise expressly stipulated, the terms defined in the Conditions of the Base Prospectus shall have the same meaning when they are used in this Section "Risk Factors".

Independent review and advice

Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Securities.

A prospective investor may not rely on the Issuers or the Guarantor or any of their affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above.

No legal and tax advice

Neither the Issuer nor the Guarantor is giving legal or tax advice to the potential investors and to the Holders. Each prospective investor should consult its own advisers as to legal, tax and related aspects relating to an investment in the Securities. A Holder's effective yield on the Securities may be diminished by the tax due by this Holder on the yield in these Securities

Assessment of investment suitability

Each potential investor in the Securities must determine the suitability of that investment in light of its own financial circumstances and investment objectives, and if needed with their financial, legal, tax and other advisers. In particular, each potential investor should

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement,*

- *have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio,*
- *have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency,*
- *understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets and*
- *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks*

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio. Some Securities which are complex financial instruments may be redeemable at an amount below par in which case investors may lose the value of part or their entire investment.

1. RISK FACTORS IN RESPECT OF THE ISSUER AND THE GUARANTOR

Group's risk

The Exane Group is exposed to risks inherent in its core businesses. The Group's risk management focuses on the following main categories of risks, any of which could materially adversely affect the Group's business, results of operations and financial condition: credit and risk counterparty (including country risk), market risk, operational risks (including accounting and environmental risks), investment portfolio risk, non-compliance risk (including legal, tax and reputational risks), structural interest and exchange rate risk, liquidity risk, strategic risk, business risk, risk related to asset management activities, risk related to specialised finance activities, regulatory ratios and other risk.

Risk management

The monitoring and control of the risks relating to the Issuer and/or the Guarantor and their operations and the investment services industry is performed jointly by the appropriate committees and their risk management department, with the help of tools that it develops, in compliance with the guidelines established by the Exane Group and all legal constraints and prudential rules. These structures are strictly independent of the front-offices.

Although the Issuer and the Guarantor pay a particular attention to risk management strategies and techniques, such risk management systems may nonetheless fail under some circumstances, particularly when confronted with risks that had not been identified or anticipated or that may occur with such speed or degree that the risk management systems are not able to withstand the impact thereof. If the Issuer or the Guarantor's measures to assess and mitigate risk prove insufficient, the Issuer and the Guarantor may experience material unexpected losses.

Credit risk

Credit risk refers to the risk of loss due to default by the Issuer or Guarantor where the Issuer or Guarantor fails to perform its obligations.

Furthermore, the Issuer is not rated by any credit rating agency. Each investor which subscribes in the Securities is therefore linked to the credit risk of the Issuer. In addition, the Issuer may issue a substantial amount of Securities, representing an important financial global commitment. Each potential investor should reach his own opinion concerning the ability of the Issuer to fulfil its obligations in relation to the Securities.

Any actual or potential decline or suppression of the credit rating of the Guarantor may affect the market value of the Securities.

Solvency of the Issuer and the Guarantor

The Securities and the Exane Guarantee respectively constitutes general and unsecured contractual obligations of the Issuer and the Guarantor and of no other person. The Securities and the Exane Guarantee rank equally with all other unsubordinated and unsecured contractual obligations of the Issuer and the Guarantor, and after preferred obligations, including those preferred by operation of law.

The Issuer issues a large number of financial instruments, including the Securities, on a worldwide basis and the value of its outstanding financial instruments at any time may be very high.

Any investor buying Securities is relying on the solvency of the Issuer and the Guarantor and on no other person; therefore, if the Securities are linked to financial instruments, the investor has no rights against the company that issued such financial instruments and in particular if the Securities are linked to an index, the investor has no rights against the sponsor of such index and, if the Securities are linked to a fund, the investor has no rights against the manager of such fund. Furthermore, an investment in the Securities does not constitute an investment in the Underlyings and an investor has no rights, whether voting rights or other rights (including rights to dividends or other distributions).

Monoline business

The Issuer and the Guarantor's business activities are dependent on the behaviour of equities markets. Their performances are influenced by the level and cyclical nature of business activity, which is impacted by both domestic and international economic and political events. There can be no assurance that a weakening in equities markets will not have a material effect on the Issuer and the Guarantor's future results.

Capital Adequacy

In June 1999, the Basel Committee on Banking Supervision (the **Basel Committee**) issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" (**Basel II**). An updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of the directives no. 2006/48 and no. 2006/49 both dated 14 June 2006 (the **Capital Requirements Directives**, as amended from time to time). In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented under the *arrêtés* dated 20 February 2007 and the *ordonnance* no. 2007-571 dated 19 April 2007. Further, the *arrêté* dated 25 August 2010 implementing the Capital Requirements Directives, which has entered into effect on 31 December 2010, has amended the French prudential control requirements applicable to credit institutions and investment firms.

On 17 December, 2009, the Basel Committee published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On 16 December, 2010 and 13 January, 2011, the Basel Committee has approved significant changes to Basel II ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures are to be implemented by relevant authorities between 1 January, 2013 and 1 January, 2019.

The changes introduced by Basel III include, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio;
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "liquidity coverage ratio" and the "net stable funding ratio"); and
- the strengthening of prudential requirements relating to the counterparty risk.

The European authorities have indicated that they support the changes proposed by the Basel Committee. The relevant European authorities have not yet implemented the Basel III reforms. The Capital Requirements Directive ("CRD IV") and an accompanying regulation (the "Capital Requirement Regulation" or "CRR"), the European legislative implementing some of the Basel III proposals, both dated 26 June 2013, were published in the Official Journal of the European Union on 27 June 2013 and must be applied from 1 January 2014 (except for capital buffer provisions which shall apply as from 1 January 2016). The CRD IV was implemented under French law by the banking reform dated 20 February 2014 ("*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*").

The implementation Basel III has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those introduced by the Issuer. The extent of the impact of Basel III CRD IV will depend on the asset structure of each bank. Its precise impact on the Issuer and/or Guarantor cannot be assessed with certainty at the present moment. The Issuer and/or the Guarantor may operate at less profitable levels than is currently the case to comply with the new requirements following transposition of CRD IV.

Furthermore, the implementation of Basel III could affect the risk weighting of the Securities in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of CRD

IV. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects of the implementation of CRD IV could have on them.

EU Crisis Management Directive

Directive 2014/59/EU of the European Parliament and of the Council dated 15 May 2014 (the “CMD”) provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The stated aim of the CMD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ exposure to losses.

The CMD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest:

- *sale of business* – enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements under company or securities law other than those expressly set out in the Directive;
- *bridge institution* - enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a public controlled entity);
- *asset separation* - enables resolution authorities to transfer impaired to a publicly controlled asset management vehicle to allow them to be managed and worked out over time; and
- *bail-in* - gives resolution authorities the power to write-down the claims of certain creditors of a failing institution and to convert debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool).

The CMD provides that it will be applied by Member States with effect from 1 January 2015, except for the bail-in tool, which is to be applied from 1 January 2016.

As a minimum harmonisation initiative, Member States may adopt more onerous provisions when implementing the CMD, meaning that it is difficult to anticipate the potential implications for the relevant institutions in the absence of finalised national implementing measures.

The powers set out in the CMD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the CMD is implemented, holders of Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the CMD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Securities, the price or value of their investment in the Securities and/or the ability of the Issuer and/or Guarantor to satisfy its obligations under the Securities.

The French banking law dated 26 July 2013 on separation and regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) that anticipates the implementation of some elements of the CMD, has already entered into force in France. The new banking law gives resolution powers to a new Resolution Board of the French Prudential Supervisory Authority which becomes the *Autorité de contrôle prudentiel et de résolution* (“ACPR”). Many of the provisions contained in the CMD are similar in effect to provisions contained in this French banking law. However, the provisions of this French banking law will need to change to reflect the CMD as now adopted. The precise changes which will be made remain unknown.

Operational Risk

Operational risk is defined as the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events (such as, but not limited to natural disasters, fraud, fire or terrorist attack). It includes risk relating to the security of information systems, litigation risk and reputation risk.

Unforeseen events like severe natural catastrophes, terrorist attacks or other states of emergency can lead to an abrupt interruption of the Issuer and/or the Guarantor's operations, which can cause substantial losses. Such losses can relate to trading positions and to key employees. Such unforeseen events can also lead to additional costs and increase the Issuer and/or the Guarantor's costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase the Issuer and/or the Guarantor's risk.

As with most other investment services providers, the Issuer and/or the Guarantor rely heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer and/or the Guarantor's customer relationship management. The Issuer and/or the Guarantor cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on the Issuer and/or the Guarantor's financial condition and results of operations.

Fair market value risk

International Financial Reporting Standards (IFRS) No. 39 (« IAS 39 ») relating to financial instruments recognition and measurement requires that all derivative instruments be recorded on the balance sheet at their respective fair values. But, if there are no market prices available, the initial loss or profit cannot be recognised. Those new rules can lead to fluctuations in the shareholders equity, net profit and more generally the financial statements of the Issuer or the Guarantor.

In addition, 12 November 2009, the International Accounting Standards Board ("IASB") published IFRS 9 "Financial Instruments" (Phase 1: Classification and measurement of financial assets) that aims to replace IAS 39. This standard has not yet been adopted at European level.

Consequently, it is not yet possible to assess the full impact of the adoption of this new standard.

Impact of regulatory changes

The Issuer and the Guarantor are subject to financial services laws and regulations. Changes in supervision and regulation, in particular in the equity brokerage and research activities, could materially affect the Issuer and the Guarantor's business, the products and services offered or the value of their assets.

Reputational risk

The Issuer's and the Guarantor's reputation are fundamental in attracting and retaining customers. Mismanagement of potential conflicts of interest, legal and regulatory requirements, ethical issues, money-laundering laws, information security policy and sales and transaction practices, may harm the Issuer's reputation.

Service of process or enforcement of judgements against the Issuer and/or the Guarantor in the United States

The Issuer and the Guarantor are limited liability companies organised under the laws of the Republic of France. None of the directors and executive officers of the Issuer and/or the Guarantor are residents of the United States, and all or a substantial portion of the assets of the Issuer and/or the Guarantor and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer and/or the Guarantor or such persons or to enforce against any of them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

2. RISK FACTORS IN RESPECT OF THE SECURITIES

The Securities involve a high degree of risk which may include, in particular, market, currency, credit risks and political risks. Because of the nature of the Securities, they may be subject to significant price fluctuations that may, in some circumstances, result in a total or partial loss of the subscription and/or purchase price of the Securities.

A wide range of Securities may be issued under the Base Prospectus. A number of these Securities may have features which present particular risks for potential investors. Set out below is a description of the most common such features, which may increase the risk of investing in such Securities.

Accordingly, there are certain factors which are material for the purpose of assessing the risks associated with an investment in Securities issued under the Base Prospectus. Such factors will vary depending on the type of Securities issued, in particular in relation to Securities, the interest and/or settlement amount of which is linked to the value of one or more share, index, commodities, units of fund, futures contract, listed options, exchange rate, debt instruments, or the combination of any of the foregoing or such other underlying or basis of reference.

2.1 GENERAL, MARKET AND OTHER RISKS

Suitability of the investment

Potential investors must be experienced in transactions on the capital markets and with securities with values that are linked to underlying elements, and be able to evaluate the merits and risks of transactions in the Securities and the impact the Securities will have on their overall investment portfolio. They must be able to bear the economic risk of an investment in the Securities until their maturity date. They should make their investment decision only after a detailed review, with their own advisors, of the suitability of these Securities to their individual financial situation and of the information concerning the Underlyings of the Securities provided if the case arises in the Base Prospectus and the Final Terms.

Potential Costs of dealing and holding Securities

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the actual price of the security. These incidental costs may significantly reduce or even cancel out the potential profit on the Securities.

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

Hedging considerations

Investors planning to purchase Securities to hedge the market risk associated with an investment in the underlying of the given Securities should be aware of the complexities involved in the use of the Securities for this purpose and the associated correlation risk. This risk relates to the potential differences in exposure arising from a potential investor owning multiple financial instruments. The value of the Securities during their life may not exactly offset the loss realised on the hedged underlying. Because of fluctuations in the supply and demand for the Securities, potential investors cannot be sure that the value of the Securities corresponds to the movements of the relevant underlying. It may not be possible to liquidate the Securities at a price which directly reflects the price, level or value of the underlying.

Before buying or selling the Securities, it is recommended that potential investors or Holders carefully review the following factors, among others: (i) the value and volatility of the underlying, (ii) the time remaining before maturity, (iii) fluctuation or fluctuations in interest rates and interim dividends, if any, (iv) fluctuation or fluctuations in foreign exchange rates, if any, (v) the capacity of the market or the liquidity of the underlying and (vi) all costs related to the transaction.

Rights in respect of the Underlying

The Securities do not confer any rights against the Underlyings and the Holders shall have no rights of action under the Securities against the Underlyings. The Securities are not under any circumstances presented, guaranteed or promoted by any issuer, agent, manager or any other person connected with the Underlying and such entities have no obligation to take into account and shall have no responsibility for the consequences of their actions on any Holders.

Possible lack of liquidity for the Securities on the secondary market

It is impossible to predict whether a secondary market will develop for the Securities, or at what price Securities will be traded on the secondary market, or whether or not this market, if it develops, will be liquid. Accordingly, any person intending to hold Securities must consider the associated liquidity risks. The fact that the Securities are listed, admitted to trading or quoted by any listing authority or stock exchange or quotation system, shall not imply any greater or lesser liquidity than would be the case for similar Securities that are not listed, admitted to trading or quoted and the Issuer cannot guarantee that the listing, admission to trading or quotation shall be maintained permanently.

If an active trading market for the Securities does not develop or is not maintained, the market or trading price and liquidity of the Securities may be adversely affected. The Issuer, the Guarantor or its affiliates are authorised to buy and sell the Securities for their own account or for the account of others, and to issue additional Securities. Such transactions may affect the price of the Securities favourably or adversely. A decrease in the liquidity of an issue of Securities may cause the volatility and price of such issue of Securities to increase. If additional and competing products are introduced in the markets, this may also adversely affect the value of the Securities. A lack of liquidity in the Securities may mean that investors may not be able to sell their Securities or may not be able to sell their Securities for the same price they paid for them and accordingly investors may lose some or the entire amount of their investment.

Volatility affecting the secondary market for Securities

The market for debt securities issued by investment services providers is influenced by economic and market conditions (to varying degrees, interest rates, credit spread levels, foreign exchange rates, inflation rates, share prices, index levels, collective investment schemes net asset values, futures contract prices, debt instruments prices). There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Securities or that economic and market conditions will not have any other adverse effects.

The Issuer declines all liability for maintaining the listing of underlyings such as shares, debt instruments or collective investment schemes units/shares on any exchange or with respect to the availability of prices published by any exchange for said shares, debt instruments or collective investment schemes units/shares.

Specific risks in respect of Certificates

An investment in Certificates entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuer believes that Certificates should only be purchased by investors who are in a position to understand the specific risks that an investment in these instruments involves or who purchase them on the advice of a financial institution or by other professional investors. Certificates linked to an Underlying are Securities with no rights to any settlement amount or predetermined interest payments, but specify amounts payable (in principal and/or interest) or deliverable that depend on the performance of the Underlying, which may involve substantial risks including credit, interest rate, currency, correlation, time value, political and other risks. The Issuer will often enter into hedging arrangements to gain exposure to the Underlying. Potential investors must be aware that they are exposed, under the terms of Securities linked to Underlyings, to the performance of such hedging contracts and to events that may affect such hedging contracts and, accordingly, the occurrence of any such event may affect the value of the Securities. An investment in a Security therefore involves significant risks. These risks include, among other things, the possibility that:

- (a) the relevant Underlying may be subject to significant price swings due to the intrinsic composition of the Underlying itself;
- (b) the final interest rate payable may be lower (although it may equally be higher) than the rate payable on a traditional debt instrument issued by the Issuer on the same date;
- (c) the Holder of a Certificate could lose all or a substantial portion of his investment on such Security, and, if the nominal value is lost, interest may cease to be payable on the Certificate;
- (d) the risks of investing in a Certificate encompass not only risks relating to the Underlying on which the Securities are indexed, but also risks that are specific to the Security itself;
- (e) any Multi Underlying linked Security (that is indexed to more than one type of underlying, or on formulas that encompass the risks associated with more than one type of asset) may carry levels of risk that are greater than Securities that are linked to one Underlying only or indexed to one type of asset only;
- (f) it may not be possible for investors to hedge their exposure to these various risks relating to Certificates; and
- (g) a material market disruption could lead to the disappearance of the Underlying(s) on which the Certificates are indexed.

Legal Restrictions possibly restricting certain investments

Certain potential investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities regarding risk-weighted capital ratios or similar rules.

U.S. investors in the Securities are not permitted

The Securities may not at any time be offered, sold, pledged or otherwise transferred in the United States or to (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act or (b) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the **CFTC**) thereunder (including but not limited to any person who is not a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not "Non-United States persons")) (any such person or account, a **Non-Permitted Transferee**). Any transfer of Securities to a Non-Permitted Transferee will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Security in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Security.

The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Security is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (a) an Affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 2.5.

The foregoing restrictions on the offer, sale, pledge or other transfer of Securities to a Non-Permitted Transferee may adversely affect the ability of an investor in the Securities to dispose of the Securities in the secondary market, if any, and significantly reduce the liquidity of the Securities. As a result, the value of the Securities may be materially adversely affected.

Leverage

Leverage involves the use of certain financial techniques to increase exposure to an Underlying, and accordingly may therefore amplify both profits and losses. The use of leverage may lead to multiplied gains (assuming a profit is made) when the Underlying moves against expectations. If the leverage is negative, the maximum loss for investors will be the amount of their initial investment in the Securities. If the relevant Securities include a leverage factor, potential investors in such Securities should be aware that such Securities involve a high level of risk and, in the event of loss, such losses will be greater (all things being equal) than those of a similar Security which does not have a leverage factor. Investors should therefore only invest in Securities with leverage factor if they fully understand the impact of leverage.

Taxation

A Holder's effective return on the Securities may be reduced by the amount of tax owed by that Holder in connection with his investment in the Securities.

Potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other charges or documentary duties in accordance with the laws and practices of the country where the Securities are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Securities. Potential investors are advised not to rely upon the "Taxation" section contained in this Base Prospectus, but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and settlement of the Securities. Only such tax advisors are in a position to duly consider the specific situation of each investor. This warning should be read in connection with the "Taxation" section of this Base Prospectus.

Change of law

The conditions of the Securities (including any non-contractual obligations arising therefrom or connected therewith) are based on relevant laws in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws, or the official application or interpretation of such laws or administrative practices after the date of this Base Prospectus.

French Insolvency Law

Under French insolvency law, some of the creditor of the debtor are grouped into a committee (the **Committee**) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), accelerated safeguard procedure as from 1st July 2014 (*procédure de sauvegarde accélérée*), accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Committee deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (charges) of the creditors (including the Holders) by rescheduling due payments and/or partially or totally writing off debts;
- establish an unequal treatment between the creditors (including the Holders) as appropriate under the circumstances; and/or
- decide to convert debts (including the Securities) into securities that give or may give right to share capital.

Decisions of the Committee will be taken by a two-thirds majority (calculated as a proportion of the debt held by the creditors expressing a vote). No quorum is required to convoke the Committee.

Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the Savings Directive), Member States are required to provide from 1 July 2005 to the tax authorities of another Member State details of payments of interest (or similar income) made by a paying agent located within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period the beneficiaries of interest payments elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). In April 2013, the Luxembourg government announced its intention to abolish the withholding system as from 1 January 2015, and replace it with an automatic information exchange system pursuant to the Savings Directive. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The term paying agent is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain entities.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, nor the Guarantor, nor the Pledgor, nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

On 24 March 2014, the Council of the European Union adopted a Council Directive (Directive 2014/48/EU) amending and broadening the scope of the requirements described above. Member States are required to adopt the national legislation necessary to comply with this amending directive from 1 January 2016. Such legislation must apply from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The directive will also apply a "look through approach" to certain payments. This approach may apply to payments made to entity establishes or effectively managed outside of the European Union.

U.S. Foreign Account Tax Compliance Act (FATCA)

Whilst the Securities are cleared through Euroclear Bank NA/SV or Clearstream Banking, (together the **ICSDs**), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) will affect the amount of any payment received by the ICSDs (see "*Taxation—U.S. Foreign Account Tax Compliance Act Withholding*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has made payment to, or to the order of, the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

Hiring incentives to restore employment act (HIRE ACT)

The U.S. Hiring Incentives To Restore Employment Act (the **HIRE ACT**) imposes a 30% withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE ACT to the Securities are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer, nor the Guarantor, nor the Pledgor, nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "U.S. HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT" of the Taxation section.

The proposed Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the Participating Member States).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

European Market Infrastructure Regulation and Markets in Financial Instruments Directive

European Regulation 648/2012, known as the European Market Infrastructure Regulation (**EMIR**) entered into force on 16 August 2012 and took direct effect in the member states of the European Union in February 2014. Under EMIR certain over-the-counter (OTC) derivatives that are traded in the European Union by financial counterparties (FCs), such as investment firms, credit institutions and insurance companies, and certain on-financial counterparties (NFCs) have to be cleared (the clearing obligation) via an authorised central clearing counterparty (a CCP). In addition, EMIR requires the reporting of OTC derivative contracts to a trade repository (the reporting obligation) and introduces certain risk mitigation requirements in relation to OTC derivative contracts that are not cleared by a CCP.

Under EMIR, a CCP will be used to meet the clearing obligation by interposing itself between the counterparties to the eligible derivative contracts. CCPs will connect with derivative counterparties through their clearing members. Each derivative counterparty will be required to post both initial and variation margin to the clearing member, which will in turn be required to post margin to the CCP. EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk.

The Hedging Party may have to apply certain risk mitigation techniques in relation to timely confirmation, portfolio reconciliation and compression, and dispute resolution that are applicable to OTC derivatives contracts that are not cleared by a CCP. Further, the Hedging Party will be required to deliver certain information about any Swap to a registered or recognised trade repository. The European Securities and Markets Authority (ESMA) has developed

certain regulatory and implementing technical regulation standards in connection with EMIR that have been adopted by the European Commission. According to these standards the starting date for such reporting obligation depends on the point in time when the responsible trade repositories in the various jurisdictions become registered. If no registered trade repository is registered by 1 July 2015, the reporting obligation will commence on this date and contracts will have to be reported to ESMA. Therefore, to date, it is not entirely clear when the reporting obligations for the Hedging Party under EMIR will start to apply. According to the regulatory technical standards adopted as Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 that entered into force on 15 March 2013, the obligations in relation to certain risk mitigation techniques (portfolio reconciliation, portfolio compression and dispute resolution) will apply as of 15 September 2013. EMIR also imposes a record-keeping requirement pursuant to which counterparties must keep records of any derivative contract they have concluded and any modification for at least five years following the termination of the contract.

The EU regulatory framework relating to derivatives is set not only by EMIR but also by the proposal to update the existing Markets in Financial Instruments Directive (**MiFID II**) which have not been finalised. In particular, MiFID II is expected to require all transactions in OTC derivatives to be executed on a trading venue. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Hedging Party.

Investors in the Securities should be aware that the regulatory changes arising from EMIR and MiFID II may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Hedging Party's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Hedging Party could be materially and adversely affected thereby. The full impact of EMIR and of MiFID II remains to be clarified and the scope of their possible implications of for investors in the Securities cannot currently be predicted. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR and MiFID II and technical implementation in making any investment decision in respect of the Securities.

The Bank Recovery and Resolution Directive

The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Securities.

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD was published in the Official Journal of the EU on 12 June 2014 and came into force on 2 July 2014. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

- (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;
- (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

- (iii) asset separation - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind down (this can be used together with another resolution tool only); and
- (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Securities to equity (the “general bail-in tool”), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Once the BRRD is implemented, Holders may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such Holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders, the price or value of their investment in any Securities and/or the ability of the Issuer and/or the Guarantor to satisfy its obligations under any Securities (in its role as Issuer) and/or the Exane Guarantee (where applicable).

Risks relating to Physical Settlement

Where Physical Settlement is applicable, Holders must give certain notices and take such other steps as are specified in the Final Terms. Physical Settlement is subject to all applicable laws, regulations and practices and the Issuer shall not be liable under any circumstances if it is not able to deliver, or procure delivery, to the relevant Holder by reason of such laws, regulations and practices.

Each Holder must be advised that, if the Securities are redeemable by Physical Settlement (as specified in the applicable Final Terms), he shall be deemed to have acknowledged his understanding and acceptance of such mode of delivery and to have carried out such steps as are necessary and not to have relied on any statement of the Issuer or any of its Agents, or the relevant Dealer in relation thereto. In particular, the Issuer and each of its Agents shall not under any circumstances be responsible for verifying the capacity and power of any Holder to obtain settlement of its Securities by Physical Settlement and the Holder shall be fully liable for any consequences that may arise due to the Physical Settlement or, as the case may be, the non-delivery as a result of the Holder not having the required power and capacity to take delivery.

2.2 RISKS LINKED TO THE UNDERLYINGS

The investor will not be a beneficial owner of the Underlying or of and the components of the Underlying. Therefore, depending on the profile of the Securities, the potential investor may not be entitled to receive any dividends or similar amounts paid on the Underlying or on the components of the Underlying, nor exercise any rights granted to direct owners of the Underlying or of the components of the Underlying to obtain assets.

The investor may bear similar market risks or other risks to a direct investment on the Underlying or on the components of the Underlying.

The investor will not be entitled to any voting rights or other control rights that may have holders of the Underlying or on the components of the Underlying.

The return on the Securities may not reflect the return the investor would realise if he or she actually owned the Underlying or the components of the Underlying.

Risks relating to Underlying which is a Share or a Basket of Shares

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price or fluctuations in the price of a share or basket of shares or which, depending on the price or fluctuation in the price, require the Issuer to deliver, on settlement, a specific number of shares. Accordingly, an investment in Share or Basket of Shares linked Securities may involve market risks similar to those of a direct equity investment and therefore potential investors should seek appropriate advice.

Potential investors in such Securities should be aware that depending on the terms of the Share linked Securities (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest or delivery of specific shares may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment. Furthermore, the price of the share or share basket may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of the price fluctuations of such share or shares may affect investors' real returns, even though the average level is in line with their expectations. In general, the earlier the share price change occurs, the greater the impact on yield will be.

If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of price fluctuations in the share or shares on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may be affected by the residual term to maturity, the volatility of the relevant share or shares, the dividend rate (if any) and the financial results and prospects of the Issuer or issuers of the relevant share or shares. The market price of these Securities may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting stock exchanges or quotation systems on which the shares may be traded.

No beneficial interest in the Underlying Shares

A Holder will not be a beneficial owner of the Underlying Shares and therefore will not be entitled to receive any dividends or similar amounts paid on the Underlying Shares, nor will a Holder be entitled to purchase the Underlying Shares by virtue of its ownership of the Securities. Moreover, Holders will not be entitled to any voting rights or other control rights that holders of the Underlying Shares may have with respect to the issuer of such Underlying Shares. The Settlement Amount will not reflect the payment of any dividends on the Underlying Shares. Therefore, the yield to maturity based on the methodology for calculating the Settlement Amount will not be the same yield as would be produced if the Underlying Shares were purchased directly and held for a similar period.

Adjustments of the Underlying Shares

The Calculation Agent may make adjustments to elements of the Securities as described in the section “Condition of the Securities” and as specified in the relevant Final Terms if any. The Calculation Agent is not required to make an adjustment for every corporate event that may affect the Underlying Shares. Those events or other actions by the issuer of Underlying Shares or a third party may nevertheless adversely affect the market price of the Underlying Shares and, therefore, adversely affect the value of the Securities. The issuer of Underlying Shares or a third party could make an offering or exchange offer or the issuer of Underlying Shares could take another action that adversely affects the value of the Underlying Shares and the Securities but does not result in an adjustment.

Risks arising from conduct of issuers of Shares

The issuers of Underlying Shares are not involved in the offer of the Securities in any way and have no obligation to consider the interests of the Holders in taking any corporate actions that might affect the value of the Securities. The issuers of Underlying Shares may take actions that will adversely affect the value of the Securities.

Risks relating to an Exchange Traded Fund

Where the Securities are linked to an Exchange Traded Fund (an “ETF”) and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Securities are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including complying with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly.

An ETF is not actively managed and may be affected by general movements in market segments related to the index or other asset it is tracking. An ETF invests in instruments included in, or that are representative of, the index or other asset it is tracking regardless of their investment merits.

ETF may engage in securities lending. Securities lending involves the risk that the ETF may lose money because the borrower of the ETF's loaned securities fails to return the securities in a timely manner or at all.

An ETF faces numerous market trading risks, including but not limited to the potential lack of an active market for its shares, losses from trading in secondary markets, periods of high volatility, limited liquidity and disruption in the creation or redemption process of such ETF. If any of these risks materializes, this may lead to the ETF shares trading at a premium or discount to the net asset value.

Action or non-performance by the management company of the ETF, ETF Administrator or ETF Advisor may adversely affect the Securities

The management company of the ETF, ETF Administrator or ETF Advisor will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The management company of the ETF, ETF Administrator or ETF Advisor may take any actions in respect of such ETF without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities. In its day-to-day operations and its investment strategy, an ETF will rely on the Fund Advisor, the investment advisor, the management company and/or on third parties providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments used by such ETF to employ its investment strategy. The insolvency or non-performance of services of any such persons or institutions may expose an ETF to financial loss. Failure of procedures or systems, as well as human error or external events associated with an ETF's management and/or administration may cause losses to an ETF and affect the market value of the Securities.

Risks relating to Underlying which is an Index or Index Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the level of one or more indices (Securities linked to an Index, Proprietary Index, Index Basket or Proprietary Index Basket).

Potential investors in such Securities should be aware that depending on the terms of the Index linked Securities or Index Basket linked Securities (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment.

Furthermore, the level of the index or indices may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of the fluctuations of the level of such index or indices may affect investors' real returns, even though the average level is in line with their expectations. In general, the earlier the change in the index level or result of a formula occurs, the greater the impact on yield will be. If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor of greater than one, or by reference to any other leverage factor, the effect of fluctuations in the level of the index or indices on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the level of the index or indices. The level of the index or indices may be affected by economic, financial and political events occurring in any one or more countries, including on the exchanges or quotation systems on which the securities comprising the index or indices may be traded. The index may reference shares, bonds or other securities, it may also be a real estate index referencing data on real estate prices which are subject to market price fluctuations, or reference various assets or indices.

Policies of the Sponsor

The policies of the Sponsor (including a sponsor that is affiliated with Exane) concerning additions, deletions and substitutions of the assets underlying the index and the manner in which the Sponsor takes account of certain changes affecting such underlyings may affect the value of the index. The policies of an index sponsor with respect to the calculation of an index could also affect the value of the index. An index sponsor may discontinue or suspend calculation or dissemination of information relating to its index. Any such actions could affect the value of the Securities.

In addition, indices may be subject to management fees and other fees as well as charges that are payable to the Sponsor and which can reduce the Settlement Amount payable to investors. Such fees may be paid to sponsors that are members of the Exane group.

Risks linked to the Proprietary Index

Exane Derivatives has developed an expertise in creating, structuring and maintaining indices for which it acts as index sponsor (the "Proprietary Indices").

The Issuer, the Guarantor or any of their affiliates may act as an index sponsor, adviser or calculation agent created and structured by any of them.

The Issuer, the Guarantor or any of their affiliates may face a conflict of interest between its obligations as the Issuer, the Guarantor or any other function of such Securities, as the case may be, and as the sponsor, the adviser or the calculation agent of such Proprietary Indices, as the determination of the composition of such Proprietary Indices may have an impact on the value of the Securities.

In respect of the Proprietary Indices discretionarily composed by Exane Derivatives to which Securities are linked, Exane Derivatives may face a conflict of interest between its obligations as the Dealer, the Guarantor or the Calculation Agent and as the composer and Sponsor of such indices, as the determination of the composition of such indices may have an impact on the value of the Securities.

In respect of the Proprietary Indices which are composed by applying a mathematical formula without any discretion from Exane Derivatives or any third party, Exane Derivatives may face a conflict of interest between its obligations as

the Dealer, the Guarantor or the Calculation Agent of such Securities and as Sponsor of such indices as it may, subject to the General and Specific Methodologies Proprietary Indices, modify certain parameters or provide the valuation of certain components which may have an impact on the value of the Securities.

The Sponsor of the Proprietary Index may execute transactions on the Underlyings comprised in the Proprietary Index, whether for hedging purposes relating to the Securities or otherwise. These transactions may have a positive or negative impact on the value of the Underlyings comprised in the Proprietary Index and accordingly on the value of the Securities. The composition of the Proprietary Index to which the Securities are linked and the methodology employed in relation to the Proprietary Index, are determined and selected by the Sponsor of the Proprietary Index. In selecting its methodologies, it cannot be ruled out that the Sponsor of the Proprietary Index (which may be the Issuer or any company in its Group) may take into account its own objectives, and/or those of its group or those of the Issuer and/or of its Group, and no reassurance can be given as to whether the methodology selected will not be less favourable to the interests of the investors than methodologies employed by other strategic index sponsors in similar circumstances. If the hedging activities of the Exane Group affiliates in connection with a particular index are disrupted, Exane Derivatives may decide to terminate calculations in relation to such index sooner than another index sponsor would in comparable circumstances. Such a termination may trigger the early Settlement of the Securities.

The above situations may result in consequences which may be adverse to Holders. The Issuers and the Guarantor assume no responsibility whatsoever for such consequences and their impact on Holders.

Specific risk factor for Proprietary Indices relating to new benchmark regulation

On 18 September 2013, the European Commission issued a draft proposed regulation (2013/0314) with respect to indices and reference indices ("benchmarks") used in connection with financial instruments and financial contracts (the "Proposal"). The purpose of the Proposal is to regulate the risk of manipulating the value of indices and to reduce the risk of conflicts of interest arising.

The Proposal seeks to (i) improve the governance and controls involved in the process of establishing indices by regulating the activity of reference index providers ("administrators") and (ii) to improve the quality of underlying information and the methods used by administrators by ensuring the systematic use of adequate sources, and proven calculation methods.

In addition, entities contributing to the establishment of references indices by providing underlying information ("contributors") will have their activity regulated and may be subject to civil liability in the event of providing false or inaccurate information.

If the proposal were to be adopted, it could lead to administrators, contributors and users of reference indices being obliged to declare potential conflicts of interest. They would also have to give precedence to specific transaction information and limit the use of more discretionary methods. They would also be required to put in place adequate governance and control systems and, more generally, to give increased transparency and publicity to such information, indices and methods used.

Risks relating to Underlying which is a Commodity or Commodity Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price, or fluctuations in the price, of a commodity and/or a commodity index or a commodity basket and/or commodity index basket or which, depending on the price or fluctuation in the price of a commodity or commodity basket, require the Issuer to deliver, on settlement, a specific commodity. Accordingly, an investment in Commodity linked Securities may involve market risks similar to those of a direct investment in the relevant commodity, and therefore potential investors should seek appropriate advice. Potential investors in such Securities should be aware that depending on the terms of the Commodity linked Securities (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment. Furthermore, the price of the commodity and/or a commodity index or a commodity basket and/or commodity index basket may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or

other indices and the timing of the fluctuations of the price of such commodity and/or level of the commodity index may affect investors' real returns, even though the average level is in line with their expectations. In general, the earlier the change in the price of such commodity and/or level of the commodity index occurs, the greater the impact on yield will be.

If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price of a commodity and/or level of the commodity index on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price of the commodity and/or level of the commodity index. The price of the commodities and/or level of the commodity index may be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the commodities or elements comprised in the commodity index may be traded.

Risks relating to Underlying which is a Fund or Fund Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price or fluctuations in the price of units of one or more funds or which, depending on the price or fluctuations in the price of units of such fund(s) require the Issuer to deliver, upon settlement, a specific quantity of Fund Units. Accordingly, an investment in Securities linked to a Fund or Fund Basket may involve market risks similar to those of a direct investment in the relevant fund and potential investors must therefore seek appropriate advice.

Potential investors in such Securities should be aware that depending on the terms of the Fund or Fund Basket linked Securities (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest or delivery of the specified Fund Units may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment. Furthermore, the unit price of such fund or funds may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of the fluctuations of the unit price of such fund or funds may affect investors' real returns, even though the average level is in line with their expectations. In general, the earlier the change in the unit price of such fund or funds occurs, the greater the impact on yield will be.

Investors should investigate the Underlying Fund(s) as if investing directly

To the extent the underlying(s) of a series of Securities include(s) a Fund or Fund Basket, investors should conduct their own diligence of the Fund as they would if they were directly investing in the Funds. The offering of the Securities does not constitute a recommendation by the Issuer or the Guarantor or any of their affiliates with respect to an investment linked to a Fund (including in respect of funds that are managed by managers affiliated with the Issuer or the Guarantor). Investors should not conclude that the sale by the Issuer of the Securities is any form of investment recommendation by the Issuer or any of its affiliates to invest in the Funds.

Potential investors should carefully examine the prospectus, the information memorandum and/or the offer document (if any) published by the relevant fund or funds before subscribing for Securities. Neither the Issuer nor any of its affiliate companies, nor the Calculation Agent make any representation whatsoever about the solvency of the relevant fund or the fund administrator, depository, manager or investment adviser.

The use of leverage may increase the risk of loss in the value of the Fund Units

If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price of the units or shares in the fund or funds on the amount of principal and/or interest payable will be amplified.

Volatility of the markets may adversely affect the value of the Fund Units

Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the underlying fund(s) increases or decreases, the market value of the Securities may be affected.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price of the units or shares of the relevant fund or funds. Funds' performances (especially hedge funds) may be highly volatile. Movements in the net asset value of the fund tracked by the Fund Units may vary from month to month. Trades made by fund managers may be based upon their expectation of price movements as the relevant investments approach and reach maturity several months following initiation of the trades. In the meantime, the market value of positions may not increase, and may in fact decrease, and this will be reflected in the net asset value per share.

Investments made by the Underlying Funds can involve substantial risks. The nature of these investments means that the value of the Fund Units may fluctuate significantly during a day or over longer periods. Consequently, the performance of the Fund Units over a given period will not necessarily be indicative of future performance.

The unit price of a fund may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the units of the relevant fund(s) may be traded. Furthermore the unit price of a fund may be affected by the performance of the fund service providers and in particular that of the investment advisor.

Risks relating to Underlying Funds that are hedge funds

Fund Units, and investments in hedge funds generally, are speculative and involve a high degree of risk. Neither the relevant Issuer nor the Guarantor gives any assurance as to the performance of Fund Units.

To the extent the Underlying(s) of Securities include(s) a hedge fund or portfolio of hedge funds for a series of Securities; the Securities of such series will be subject to some of the risks of an investment in a hedge fund or portfolio of hedge funds. The lack of oversight and regulation associated with funds that are hedge funds may increase the likelihood of fraud and negligence by the fund's managers and/or the investment advisors, their brokerage firms or banks.

Hedge funds may involve complex tax structures and delays in distributing important tax information and may have high fees and expenses that may offset the hedge fund's trading profits.

Substantial redemptions on a hedge fund on a particular day could require such funds to liquidate positions more rapidly than would be otherwise desirable.

Hedge funds, including the funds on which Securities may be indexed, generally do not make information about their operations and holdings public. Even if the Issuer, the Guarantor, or any affiliate may have arrangements with a fund managers to obtain information required to calculate the value of the fund, it may not have access to the activities of the fund on a continuous basis or at all. There are currently no regulatory requirements compelling funds to release information of the kind that would allow the relevant Issuer, the Guarantor or any affiliate to value a fund or to accurately determine the value of the fund units and, consequently, the Settlement Amount of the relevant Securities.

The Issuer, the Guarantor and/or certain affiliates of the Exane Group from time to time obtain information regarding specific hedge funds that may not be available to the general public. Any such information is obtained the Issuer, the Guarantor and/or certain affiliates of the Exane Group in the ordinary course of their businesses, and not in connection with the offering of the Securities. Any views that may be held by the Issuer, the Guarantor and/or certain affiliates of the Exane Group with respect to the expected future performance of one or more of the funds would not be an indication of the future expected performance of the fund, and the Issuer, the Guarantor and/or certain affiliates of the Exane Group has formed a view with respect to the expected future performance of a fund.

Underlying funds that are hedge funds are not subject to the same regulatory regime, or regulated to the same extent as, mutual funds or registered securities or securities offerings. Changes to the current regulatory environment could affect

the investment, operations and structure of the underlying funds and could adversely affect the performance of the underlying funds.

Hedge funds may invest in securities listed or traded on foreign exchanges. The execution of transactions on foreign exchanges might involve particular risks including but not limited to: higher volatility, government intervention, lack of transparency, lack of regulation, currency risk, political risk and economic social instability.

Risks relating to Underlying Funds that are invest through a master-feeder structure

The Underlying Fund(s) may invest through a "master-feeder" structure. As such, the Underlying Fund(s) will contribute substantially part or all of its assets to the master fund and may do so alongside other investors, including other feeder funds. The relevant master fund may also establish or allow investment by additional investors or feeder funds in the future.

The master-feeder fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. The Underlying Fund(s) may be materially affected by the actions of other investors, investment vehicles and feeder funds investing in the master fund, particularly if such investors have large investments in the master fund. For example, if a larger investment vehicle or entity with a large investment in the master fund redeems from the master fund, illiquidity in certain securities or markets could make it difficult for the master fund to liquidate positions on favorable terms to effect such redemption, which could result in losses or a decrease in the net asset value of the master fund. In addition, to satisfy such redemptions, the sub-manager may need to liquidate the master fund's most liquid investments; leaving remaining investors (including the underlying fund(s)) invested in more illiquid instruments. Such withdrawals may also leave the master fund with a less diversified pool of investments. This may increase the overall portfolio risk of the master fund, and, ultimately, the Securities. Conversely, the sub-manager may refuse a redemption request if it believes that such request, if fulfilled, would have a material adverse impact on the remaining investors of the master fund. This may negatively impact the liquidity of the master fund and, therefore, the Underlying Fund(s) and the Securities.

Fund managers may be eligible to earn incentive compensation

The potential for a fund manager to earn performance-based compensation (including a manager that is affiliated with an entity of the Exane Group) may encourage such fund manager to trade in a more speculative manner than it otherwise would. Therefore, because the incentive compensation of the fund's managers and/or investment advisors to hedge funds is often directly influenced by the performance of such funds, each fund manager may consequently have an incentive to take greater risks when making investments that may result in greater profits. By taking greater risks when making investments consequently there is greater scope for significant losses. In addition, the fund managers and/or the investment advisors may receive management, advisory or performance fees even though the fund has not realised any gains.

Fund managers' investments are not verified

None of the Issuer, the Guarantor, the affiliates of the Issuer or of the Guarantor or the Calculation Agent under the Securities are or will be responsible for verifying or ensuring that the fund managers comply with its stated trading strategy (including a manager that is affiliated with the Issuer or the Guarantor).

No Fund Sponsor has participated in preparing the applicable Final Terms or in drafting the terms of the Fund linked Securities, and neither the Issuer nor the Dealer shall make any enquiries or verifications in relation to any information relating to the issuer of such units provided in such Final Terms or in any document from which such information was extracted. Accordingly, no assurance can be given that any events that occurred prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in such paragraph or in the applicable Final Terms) and which would affect the trading price of the fund units will have been publicly disclosed. Subsequent disclosure of such events or the disclosure of, or failure to disclose, significant future events relating to the issuer of such fund units may affect the trading price of the fund units and, therefore, the trading price of the Securities.

The fund's managers (including a manager that is affiliated with an entity of the Exane Group) do not have any obligations to the Holders, or other role in connection with the Securities, including any obligation to take the needs of the Holders into consideration for any reason. The fund managers (including a manager that is affiliated with an entity of the Exane Group) are not responsible for, and have not endorsed or participated in, the offering, placement, sale, purchase or transfer of the Securities. The fund managers (including a manager that is affiliated with an entity of the Exane Group) are not responsible for, and will not participate in, the determination or calculation of the amounts receivable by Holders.

Reliance on fund managers and/or investment advisors of the Underlying Fund(s)

Investment in the Securities is speculative and entails substantial risks. The Settlement Amount is based on changes in the value of the Underlying Fund(s), which fluctuates and cannot be predicted. Moreover, any persons relying on the performance of the Underlying Fund(s) should note that such performance will depend to a considerable extent on the performance of the fund's managers and/or investment advisors of the fund(s). None of the Issuer, Exane Derivatives as Guarantor or as Calculation Agent under the Securities, or affiliates of the Exane Group are in a position to protect the Holders against fraud and misrepresentation by unaffiliated fund managers or the investment advisors. Investors should understand that they could be materially adversely affected by any such acts. Holders do not have and are not entitled to any beneficial interests in the Underlying Fund(s) and as such, have no recourse against the Underlying Fund(s), any investment advisor or manager either contractually or statutorily. Furthermore, as a practical matter, it may be difficult to bring an action, or to seek to enforce a judgment obtained in an action, against any of the aforementioned entities. In addition, the fund managers and/or the investment advisors may be removed or replaced, the allocation of assets may vary from time to time and the various positions of the investments of the Underlying Fund(s) may be economically offsetting, all of which may affect the performance of the Underlying Fund(s).

The fund managers and/or the investment advisors may manage or advise other funds and/or accounts and may have financial and other incentives to favor such other funds and/or accounts over the Underlying Fund(s). Also, the fund managers and/or the investment advisors may manage or advise for their own accounts and the accounts of their clients and may make recommendations or take positions similar or dissimilar to those of the Underlying Fund(s) or which may compete with the Underlying Fund(s).

Fees, deductions and charges will reduce the Settlement Amount

Fund fees will be deducted from the net asset value of the fund, reducing the value of the Fund Units. Accordingly, to the extent that the Settlement Amount is linked to the net asset value of a fund, the Settlement Amount payable to Holders will be less than it would have been absent these fees, deductions and charges. The Issuer, the Guarantor or any affiliates of the Exane Group may be the beneficiary of such fees or obtain rebate on such fees from third parties.

Net Asset Value

The market value of the Securities is likely to depend substantially on the then-current net asset value of the Underlying Fund(s). If an investor chooses to sell its Securities, such investor may receive substantially less than the amount that would be payable at any relevant payment date based on that net asset value because of, for example, possible market expectations that the net asset value of the Underlying Fund(s) will continue to fluctuate between such time and the time when the final net asset value of the Underlying Fund(s) is determined. Political, economic and other developments that affect the investments underlying the Underlying Fund(s) may also affect the net asset value of the Underlying Fund(s) and, thus the value of the Securities.

Certain business activities may create conflicts of interest with Holders

The Issuer and the Guarantor, or one or more of their affiliates, may engage in trading and other business activities relating to the Underlying Fund(s) or their underlying assets that are not for the Holders' accounts or on behalf of the Holders. These activities may present a conflict between a Holder's interest in the Securities and the interests of the Issuer and the Guarantor, or one or more of their affiliates, may have in their proprietary account. Such activities may include, among other things, the exercise of voting power, financial advisory relationships, financing transactions, derivative transactions and the exercise of creditor rights, each of which may be contrary to the interests of the Holders.

Any of these trading and/or business activities may affect the value of an Underlying Fund(s) and thus could be adverse to a Holder's return on the Securities. The Issuer, the Guarantor and their respective affiliates may engage in any such activities without regard to the Securities or the effect that such activities may directly or indirectly have on Securities.

In addition, in connection with these activities, the Issuer, the Guarantor and/or their respective affiliates may receive information about the Underlying Fund(s) or their underlying assets that will not be disclosed to the Holders. The Issuer, the Guarantor and their respective affiliates have no obligation to disclose such information about the Underlying Fund(s) or the companies to which they relate.

Legal, tax and regulatory changes

Legal, tax and regulatory changes could occur during the term of the Securities that may adversely affect the Underlying Fund(s). The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Underlying Fund(s). In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Underlying Fund(s) could be substantial and adverse and consequently may adversely affect the value of the Securities.

No beneficial interest in the Underlying Fund

The investor will not be a beneficial owner of units in the Underlying Funds. Fund linked Securities do not confer on their Holders any rights or interest in the Underlying Fund(s) and, except in certain circumstances in the case of Physical Settlement Securities, do not confer on the Holders of Fund linked Securities any rights of ownership or any other rights over such Funds.

Unless provided otherwise in the Conditions, Holders of Securities shall have no right to vote, or any other right to receive dividends, distributions or other rights in respect of the relevant fund units to which such Securities are linked.

Risks relating to Underlying which is a Futures Contract or a Basket of Futures Contracts

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price, level or rate, as the case may be, of one or more futures contracts. Potential investors in such Securities should be aware that depending on the terms of the Securities linked to a Futures Contract or Basket of Futures Contracts (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment.

Furthermore, the price, level or rate, as the case may be, of the futures contract(s) may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of modifications to the futures contract(s) may affect investors' real returns, even though the average level is in line with their expectations.

In general, the earlier the change in price, level or rate, as the case may be, of one or more futures contract(s) occurs, the greater the impact on yield will be. If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price, level or rate, as the case may be, of the futures contract(s) on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant futures contract(s). The price of the futures contract(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which such futures contract(s) may be traded.

Risks relating to Underlying which is a Listed Option or Listed Options Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price, level or rate, as the case may be, of one or more listed options. Potential investors in such Securities should be aware that depending on the terms of the Securities linked to a Listed Option(s) or Listed Options Basket (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment.

Furthermore, the price, level or rate, as the case may be, of the listed option(s) may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of modifications to the listed option(s) may affect investors' real returns, even though the average level is in line with their expectations.

In general, the earlier the change in the price, level or rate, as the case may be, of one or more listed options occurs, the greater the impact on yield will be. If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price, level or rate, as the case may be, of the listed option(s) on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant listed option(s). The price of the listed options may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant listed options may be traded.

Risks relating to Underlying which is an Exchange Rate or Exchange Rate Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price, level or rate, as the case may be, of one or more exchange rates. Potential investors in such Securities should be aware that depending on the terms of the Exchange Rate or Exchange Rate Basket linked Securities (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment.

Furthermore, the price, level or rate, as the case may be, of the exchange rate(s) may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of the changes in the exchange rate(s) may affect investors' real returns, even though the average level is in line with their expectations.

In general, the earlier the change in the price, level or rate, as the case may be, of one or more exchange rate(s) occurs, the greater the impact on yield will be. If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price, level or rate, as the case may be, of the exchange rate(s) on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant exchange rate(s). The exchange rate(s) may also be affected by economic, financial and political events occurring in any one or more countries.

Risks relating to Underlying which is a Debt Instrument or Debt Instrument Basket

The Issuer may issue Securities whose amount of principal and/or interest payable depends on the price, level or rate, as the case may be, of one or more debt instruments. Potential investors in such Securities should be aware that depending on the terms of the Securities linked to a Debt Instrument(s) or Debt Instrument Basket (i) they may receive no interest or only a limited amount of interest, (ii) payment of principal or interest may take place on a different date than that specified, and (iii) they may lose all or a substantial part of their investment.

Furthermore, the price, level or rate, as the case may be, of the debt instrument(s) may fluctuate significantly which may not mirror fluctuations in interest rates, currencies or other indices and the timing of modifications to the debt instrument(s) may affect investors' real returns, even though the average level is in line with their expectations.

In general, the earlier the change in the price, level or rate, as the case may be, of one or more debt instruments occurs, the greater the impact on yield will be. If the amount of principal and/or interest payable is determined in conjunction with a multiplying factor greater than one, or by reference to any other leverage factor, the effect of fluctuations in the price, level or rate, as the case may be, of the debt instrument(s) on the amount of principal and/or interest payable will be amplified.

The market price of these Securities may be volatile and may depend on the residual term to maturity and the volatility of the price, level or rate, as the case may be, of the relevant debt instrument(s). The price of the debt instrument(s) may also be affected by economic, financial and political events occurring in any one or more countries, including factors affecting the exchange(s) or quotation systems on which the relevant debt instruments may be traded.

Emerging market risk

The Issuer may issue Securities where the amount payable on exercise or redemption or the interest payable is linked to Underlying which consist of (i) securities, shares, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Securities, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalization and confiscation. Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Conditions of the Securities) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

Credit ratings may not reflect all risks

One or more independent credit rating agency may assign credit ratings to certain Securities. The Holders should be aware that credit ratings do not constitute a guarantee of the quality of the Securities. The rating assigned to the Securities by the rating agencies, if any, is based on current financial condition and reflects only the rating agencies opinions. Rating agencies do not evaluate the risks of fluctuation in market value but attempt to assess the likelihood of principal and/or interest payments being made. The ratings may not reflect all the risks associated, amongst others, with the structure of the relevant issue, the market for the Securities and other factors which may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by any of the relevant rating agencies at any time.

Downgrading or withdrawal of the credit rating of the Guarantor

Any actual or potential decline or suppression of the credit rating (Moody's: Baa2 / Standard & Poor's: BBB+) of the Guarantor may affect the market value of the Securities.

Potential conflicts of interests

The Issuer, the Guarantor or its subsidiaries may also enter into trades (including hedging transactions) relating to the Underlying and other instruments or derivative products based on or relating to the Underlying of any Security for their own account or on behalf of third parties as part of their management activity.

In the course of this business, the Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates may acquire non-public information about an Underlying or any companies or assets related that is or may be material in the context of the issue of the Securities and that may not be publicly available or known to other third parties. There is no obligation on the Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates to disclose to the Holders or any other party any such relationship or information whether before or after the Issue Date.

For the sake of transparency, it is brought to the attention of the investors the following different situations that may generate a potential conflict of interest:

- (i) the composition (selection of the components, additions, deletions...), the methodology, and the manners of computation of an Index Underlying, can be determined - under certain circumstances - by Exane Derivatives or any other member company of the Exane group;
- (ii) the investment rules and the methods of constitution of a Fund Underlying can be determined – under certain circumstances - by Exane Derivatives or any other member company of the Exane group. In addition, Exane Asset Management or Ellipsis Asset Management can be appointed as Management Company of a Fund Underlying;
- (iii) In addition, if the hedging activities of Exane Derivatives or of one of its affiliates in connection with a particular index are disrupted, Exane Derivatives or the relevant affiliate may decide to terminate calculations in relation to such index sooner than another index sponsor would have done in comparable circumstances. Such a termination may trigger the early settlement of the Certificate.
- (iv) Exane Derivatives as the Calculation Agent can determine the substitution of an Underlying in accordance with the Condition of the Securities and the Terms and Conditions.
- (v) the Calculation Agent may adjust the settlement, payment or any other terms of the Securities in accordance with the Condition of the Securities and the Terms and Conditions.
- (vi) the Calculation Agent may determine the Settlement Amount payable to the Holders of the Securities.

Potential conflicts of interest in connection with Proprietary Indices

The Issuer, the Guarantor or any of their affiliates may act as an index sponsor, adviser or calculation agent created and structured by any of them (the **Proprietary Indices**).

The Issuer, the Guarantor or any of their affiliates may face a conflict of interest between its obligations as the Issuer, the Guarantor or any other function of such Securities, as the case may be, and as the sponsor, the adviser or the calculation agent of such Proprietary Indices, as the determination of the composition of such Proprietary Indices may have an impact on the value of the Securities.

Calculation Agent

The Calculation Agent may have to make, pursuant the Base Prospectus, choices and judgments that may influence the amount receivable upon settlement of the Securities and has wide discretionary powers to make such adjustments as it considers appropriate as a result of or in connection with transactions on securities affecting the Underlying. As

indicated in the risk factor “Potential Conflicts of Interest” above, the Calculation Agent may be the Issuer or Guarantor or one of their affiliates and potential conflicts of interest may exist therefore between the Calculation Agent and the Holders.

All the determinations of the Calculation Agent shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the Financial Agent and on all the Holders. The Calculation Agent will act as an independent expert and will act in good faith and in a commercially reasonable manner in exercising its functions. Because the Calculation Agent may be the Issuer, the Guarantor or an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Holders of the Securities, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event, a Potential Adjustment Event or Credit Event (each, as defined in the Conditions of the Securities) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account.

Foreign exchange risk

In the same manner as purchasers of foreign currency securities, investors are exposed to the risk of exchange rate fluctuations. Foreign exchange risk can also be embedded in the Security leading to a currency exposure different from the currency of the Security. This risk is in addition to any performance risk that relates to the issuer or the type of securities being issued.

The value of the Securities may, in certain circumstances, be affected by factors such as fluctuations in exchange rates between any currency in which a payment must be made under the Securities and any currency in which an Underlying is traded, a rise or fall in the value of any such currency and any existing or future governmental or other restrictions on the transferability of such currencies. No assurance can be given that the exchange parities between such currencies as they apply on the issue date of the Securities will be similar to the exchange parities used to calculate the value of the Securities on any subsequent date.

Foreign-exchange risk involves the potential imposition or modification of foreign exchange controls by relevant governmental authorities. Such risks generally depend on economic and political events over which issuers have no control. Investors should consult their financial and legal advisers about all specific risks associated with investments in Securities denominated or payable in, or payment on which is linked to an Underlying denominated in, a currency other than the currency of the country in which the investor lives or carries on business, in other words his domestic currency. The Securities are not suitable investments for investors who are not familiar with foreign exchange transactions.

The exchange rates of the currencies of most economically developed nations may fluctuate in value between each other. Governments may, however, occasionally use techniques to influence exchange rates on their currency in particular central bank interventions, imposition of regulatory controls or taxes or changes in interest rates. Governments may also introduce a new currency to replace an existing currency or modify an exchange rate or the characteristics of the currency by monetary devaluation or revaluation. Such governmental action may alter or interfere with monetary values and fluctuations which would otherwise occur in response to economic forces or circulation of currencies beyond national borders.

Consequently, such governmental action may adversely affect yields or payments in the domestic currency of the investor, in respect of Securities denominated or payable in currencies other than the investor's domestic currency. The Issuer will not make any adjustment to, or change the terms of, the Securities if exchange rates become fixed or in the event of monetary devaluation or revaluation or the imposition of foreign exchange controls or other regulatory controls or taxes or if other developments affect any currency whatsoever. The investor shall bear all such risks.

Governments have occasionally imposed, and may in future impose foreign exchange controls that may also affect the availability of a currency. Even in the absence of foreign exchange controls it is possible that the currency in which a security is denominated may not be available at the time when payments on such security are due and payable.

Fixed Rate Securities

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

Floating Rate Securities

Floating Rate Securities can be volatile investments. One key difference between Floating Rate Securities and Fixed Rate Securities is that the interest income on Floating Rate Securities cannot be determined in advance. Due to the variation in interest income, investors may not be able to determine precisely the yield on Floating Rate Securities at the time they acquire them such that the yield on their investment cannot be compared with investments with longer fixed interest periods. If the terms of the Securities provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates fall. However, investors may reinvest interest income paid to them only at the lowest prevailing rate at such time. Furthermore, the Issuer's capacity to issue both Fixed Rate Securities and Floating Rate Securities may affect the market value and the secondary market (if applicable) for Floating Rate Securities (and vice versa).

Fixed/Floating Rate Securities

Fixed/Floating Rate Securities may bear interest at a fixed rate which the Issuer may elect to convert into a floating rate or at a floating rate which the Issuer may elect to convert into a fixed rate. The existence of this conversion option may affect the secondary market in, or the market value of, the Securities to the extent that the Issuer may elect to convert the rate when this will enable it to reduce its overall borrowing costs. If the Issuer converts a fixed-rate into a floating rate, the rate spread on Fixed/Floating Rate Securities may be less favourable than spreads on Floating Rate Securities with the same benchmark rate. Furthermore, the new floating rate may be lower at any time than the interest rate on its other Securities. If the Issuer converts a floating rate into a fixed rate, the fixed rate may be lower than the rates on its other Securities.

Zero Coupon Securities

The prices at which Zero Coupon Securities, as well as other Securities at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities with comparable maturities.

Settlement Option at the Issuer's discretion

Any early settlement at the option of the Issuer, if provided for in any Final Terms for a particular issue of Securities, could cause the return anticipated by Holders to be considerably less than anticipated. In addition, investors that choose to reinvest money they receive through an early settlement may be able to do so only in securities with a lower yield than the settled Securities.

Option Threshold Trigger

In respect of certain issues where so specified in the applicable Final Terms, the Securities may be redeemed early in the event that the outstanding nominal amount falls below the Option Threshold Trigger stipulated in the applicable Final Terms. This could lead to investors receiving a settlement amount earlier than had been anticipated in circumstances over which the investors have no control and may significantly affect the value of their investment.

Undated perpetual Certificates with no fixed maturity

In addition, potential investors who intend to purchase undated perpetual Certificates with no fixed maturity date shall consider that this type of Certificates does not have a determined maturity. Therefore, the duration of the Certificates depends on a settlement option at the Issuer's discretion, if any, or on a settlement option at the Holders' discretion, if any. If there is no secondary market, there might be no possibility for the investors to sell the Certificates.

3. RISK FACTORS SPECIFIC TO CLNS

The CLNs are linked to the creditworthiness of the relevant Reference Entity/ies. Investors should note that CLNs differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest (if any) payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the relevant Reference Entity/ies (and, in the case of Index-Linked CLNs, certain other events have occurred (for further information on risk factors relating to Index-Linked CLNs, see the paragraph entitled "Index-Linked CLNs" in this section). In certain circumstances, the CLNs will cease to bear interest (if any) and the value paid to Holders on settlement may be less than their original investment and may in certain circumstances be equal to zero. The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and/or other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors should review the Reference Entity/ies and conduct their own investigation and analysis with respect to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to each Reference Entity.

Any quotations used in the calculation of a settlement amount may be affected by factors other than the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer and substantially between Valuation Dates (if Multiple Valuation Dates apply). The Obligations selected, even in the absence of a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting any determination of the value of such Obligation which in turn will impact on the amount by which the aggregate Nominal Value of the CLNs may be reduced. The Calculation Agent is entitled to select the Obligation which has the lowest value in the market at the relevant time providing such Obligation satisfies the specifications and limits for qualification as a Reference Obligation for the purposes of calculating the amount by which the aggregate Nominal Value of the CLNs is reduced following a Credit Event.

Some Reference Obligations may have no, or only a limited, trading market. The liquidity of Reference Obligations may fluctuate with, among other things, the liquidity of the loan and debt instrument markets, the general economic situation which may affect market conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant Reference Entity/ies. The financial markets may experience sustained periods of high volatility and reduced liquidity. Such periods of high volatility and reduced liquidity may have adverse effects on the market value of the relevant Reference Obligation(s).

Some or all of the Reference Obligations may also be subject to restrictions on transfer and may be considered to be illiquid. If a Credit Event in respect of a Reference Entity occurs, any resulting decrease in market value of the related Reference Obligation(s) could be further magnified by reason of such limited liquidity for Reference Obligation(s) generally or the Reference Obligation(s) in particular.

The Issuer's obligations in respect of CLNs are irrespective of the existence or amount of the Issuer's and/or any Affiliate's credit exposure to a Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

A prospective purchaser of the CLNs should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the CLNs.

The interest rate or settlement amount of the CLN is linked to the occurrence or non-occurrence of certain events which are not connected with the Issuer or the Guarantor. The occurrence of such events is beyond the control of the Issuer and the Guarantor and Holders of CLN are therefore exposed to the risk of such event occurring or not, as the case may be.

Unwind Costs

If Unwind Cost is specified as applicable in the relevant Final Terms, the Cash Settlement Amount may be reduced by an amount determined by the Calculation Agent and equal to the sum of the Unwind Costs.

Increased risk in respect of First-to-Default Notes and Tranche Notes

First/nth to Default CLN or Tranching CLN create leveraged exposure to the credit risk of Reference Entities as the investors can lose a significant part or the totality of their investment (i) in the case of Tranching CLN even if all the Reference Entities in the Reference Portfolio have not been subject to a Credit Event and (ii) in the case of First/nth to Default CLN, as soon as only one single Reference Entity has been subject to a Credit Event.

Early Settlement of the CLNs may affect the yield on the CLNs and result in substantial losses to Holders.

The CLNs will be redeemed prior to the Scheduled Maturity Date upon the Issuer's election to give a Credit Event Notice following the occurrence of a Credit Event or in certain other circumstances as described herein. The Final Settlement Amount may be substantially less in value than the Nominal Value of a CLN and may in certain circumstances, be zero. Upon any early settlement of the CLNs, the CLNs will be redeemed early at the settlement amount calculated in accordance with Condition 6. Accordingly, the CLNs are only suitable as an investment for investors who are able and willing to withstand a total or partial loss of their investment.

Principal-Protected CLNs

CLNs may be described as principal-protected in the Final Terms. In such cases, the principal of the CLNs is, to the extent specified in the Final Terms, not at risk of loss as a result of any fluctuations in value of any Reference Entity or any Index on which such Reference Entity is traded. Where the CLNs are principal-protected, the return of principal is expected only at their maturity. Upon any early settlement of the CLNs, Holders may receive significantly less than their Nominal Value. The amount of interest payable in respect of such CLNs may be dependent on the performance of a Reference Entity or any Index on which such Reference Entity is traded and is not protected as described in relation to principal. Holders may receive no return on their investment during its term. Any sale price that an investor could obtain for such CLNs may be significantly lower than the price at which the investor originally acquired such CLNs.

Volatility of the Credit Derivatives Market

The Conditions of the CLNs and any related swap agreement (including the confirmation thereto) incorporate, to the extent that they are defined therein, either (i) the 2003 Credit Derivatives Definitions, the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement (the **March 2009 Supplement**) and the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (the **July 2009 Supplement**) (the **2003 ISDA Definitions**), or (ii) the 2014 ISDA Credit Derivatives Definitions (the **2014 ISDA Definitions**), and, together with the 2003 ISDA Definitions, the **Credit Derivatives Definitions**), as published by the International Swap Derivatives Association (**ISDA**), as amended (as applicable) by the Base Prospectus and any Final Terms. In the event of any inconsistency between the Credit Derivatives Definitions and the defined terms used in the Base Prospectus and any Final Terms, such defined terms will prevail. It is possible that ISDA will revise the Credit Derivatives Definitions and/or introduce protocols that may impact on the defined terms used in the Base Prospectus and any Final Terms in which case the Issuer may amend those defined terms and any affected provisions of the Base Prospectus and any Final Terms accordingly. The Issuer will do so without regard to the interests of the Holders and any such amendment may be prejudicial to the interests of the Holders. Although ISDA has promulgated the Credit Derivatives Definitions to facilitate transactions in the credit default swap (**CDS**) market, differing interpretations could exist with respect to the definition of any Credit Event, which has led to different market practices in different jurisdictions. Therefore, in addition to the other risks summarised in the Base Prospectus, the CLNs and any related swap agreement are also subject to the risk that the interpretation of the terms of the Credit Derivatives Definitions may undergo changes that adversely affect the Holders.

Index-linked CLNs

The Final Terms may specify that the CLNs are linked to certain indices. The occurrence of certain events in relation to an underlying index (such as, for example, market disruption, the replacement of the index sponsor, modification, cancellation or disruptions to the index and subsequent correction of relevant index levels) may lead to the Calculation Agent making changes in the terms of the CLNs and/or adjustments to relevant index levels.

Concentration Risk

The concentration of the Reference Entities in any one industry or geographic region would subject the CLN to a greater degree of risk with respect to economic down turns relating to such industry or geographic region.

In respect of Basket CLN, irrespective of the creditworthiness of each Reference Entity, the fewer Reference Entities are in a Reference Portfolio, the greater is the degree of risk with respect to the occurrence of each Credit Event.

In respect of First/nth-to-Default CLN, the more Reference Entities there are in the Reference Portfolio, the greater is the degree of risk. In respect of such First/nth-to-Default CLN, the first Reference Entity in respect of which a Credit Event occurs will lead to redemption of such First/nth-to-Default CLN as though such First/nth-to-Default CLN were CLN relating to a single Reference Entity. Accordingly, investors will be exposed to the credit risk of each stipulated Reference Entity.

Settlement Amount

Where the Settlement Amount is calculated using the Auction Final Price, credit losses will be determined on the basis of a market auction; such losses may be greater than the losses which would have been determined in the absence of such auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of their respective Affiliates has any responsibility for verifying that any auction price is reflective of any market value or market practice for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Calculation Agent or the Issuer or any of their respective Affiliates thereof participates in, or refers to any auction then it will do so without regard to the interests of the Holders. Such participation may have a material effect on the outcome of the relevant auction.

Discretion of Calculation Agent

The Calculation Agent in exercising its rights and discretions related to the CLNs (including but not limited to the determinations relating to any Credit Event or Succession Event) may rely on the determinations of any Credit Derivatives Determinations Committee (as established by ISDA for the purposes of making certain determinations in connection with credit derivative transactions) and the Calculation Agent shall not be liable to the Issuer, the Holders or any one person for such reliance. The maturity date of the CLNs may be extended and/or the amount of interest payable in respect of each CLN may be modified, in each case by the Calculation Agent to take into account any resolution of the Credit Derivatives Determinations Committee or any decision of the Credit Derivatives Determinations Committee not to resolve any particular issue. If the Calculation Agent and the Issuer or any of their respective Affiliates thereof serve as a member of an Adjustments Credit Derivatives Determinations Committee at any time, it will act without regard to the interests of the Holders.

Adjustments to terms of the CLNs

The Calculation Agent may consider, following its determination that, *inter alia*, there has been a change in law or regulation or a change in the prevailing market standard terms or market trading conventions that affects the CLNs or any Hedging Transaction and adjust the terms of the CLNs to the extent it deems appropriate (see Condition 6.8 for further details). If the Calculation Agent modifies the terms of the CLNs, it will do so without regard to the interests of the Holders and any such modification may be prejudicial to the interests of the Holders. If the Calculation Agent

determines that it is not practicable or appropriate to adjust the terms of the CLNs or any Hedging Transaction accordingly, the Issuer shall be entitled to trigger an early settlement of the CLNs.

ISDA Credit Derivatives Definitions

This Base Prospectus contains Conditions for CLNs with terms based on the 2003 ISDA Definitions (as supplemented) and further Conditions for CLNs with terms based on the 2014 ISDA Definitions. While there are many similarities between the terms used in such Conditions for CLNs and the terms used in the 2003 ISDA Definitions, or the 2014 ISDA Definitions, as applicable, there are a number of differences. In particular, the Issuer and the Guarantor have determined that certain provisions of the Credit Derivatives Definitions, which are intended for use by market participants in "over the counter" transactions, require amendment when incorporated in the terms of an offering of securities such as the CLNs.

The terms and conditions of the CLNs also afford the Calculation Agent discretion in respect of determining certain terms that differs in substance in comparison to corresponding terms contemplated in the Credit Derivatives Definitions, including, without limitation, the date on which a Credit Event Determination Date or the Valuation Date will fall, the applicability of the Fallback Settlement Method (which may be determined, inter alia, by reference to the Issuer's Hedging Transactions) and the determination of the Quotation Amount. Therefore, a prospective investor should understand that the complete terms and conditions of the CLNs are as set out in this Base Prospectus and the applicable Final Terms and that neither the 2003 ISDA Definitions nor the 2014 ISDA Definitions are incorporated by reference herein. Consequently, investing in CLNs is not necessarily equivalent to investing in a credit default swap that incorporates either set of ISDA Definitions.

While ISDA has published and, where applicable, supplemented the 2003 ISDA Definitions and the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2003 ISDA Definitions and the 2014 ISDA Definitions and the terms applied to credit derivatives, including CLNs are subject to further evolution. Past events have shown that the view of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution of the market, the CLNs may not conform to future market standards. Such a result may have a negative impact on the CLNs. Furthermore, there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer, the Guarantor or the Holders.

Differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions

There are a number of important differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions. In particular the 2014 ISDA Definitions have:

- introduced a new Credit Event of "Governmental Intervention", which is intended to capture "bailin" procedures to which financial institutions may be subject;
- made certain amendments to the Restructuring Credit Event to provide for the possibility of a Euro exit;
- reduced the number of buckets applicable in circumstances where Mod Mod R is applicable and deleted the concept of the "Enabling Obligation" which was previously applicable to both Mod R and Mod Mod R;
- introduced the concept of Asset Package Delivery in respect of certain Financial Reference Entities and Sovereigns. This provides that if Deliverable Obligations are exchanged into non-Deliverable assets or written-down in part or in full, in certain circumstances, the credit protection buyer will be able to deliver the resultant package of Assets or the written-down Deliverable Obligation to realise its protection;
- split credit protection between senior and subordinated coverage in respect of a Governmental Intervention and Restructuring Credit Event for Financial Reference Entities, i.e. a Senior Transaction will only be triggered by a Restructuring or Governmental Intervention of Senior Obligations and a Subordinated Transaction will not be capable of being triggered by a Restructuring or Governmental Intervention of an obligation which is Subordinated to the Subordinated Reference Obligation;

- made a number of changes to the provisions for determining a Successor to a Reference Entity, particularly with respect to Financial and Sovereign Reference Entities;
- provided for a new election of "Standard Reference Obligation" which, if chosen, will mean that the Reference Obligation will be the obligation of the relevant seniority level published in respect of the relevant Reference Entity on a List maintained by ISDA. Parties to a transaction on the terms of the 2014 ISDA Definitions may elect not to apply that election such that the Reference Obligation would remain as chosen by the parties, although, if this is the case, the procedure for selecting a Substitute Reference Obligation has also changed significantly in the 2014 ISDA Definitions;
- replaced the Not Contingent Deliverable Obligation Characteristic with the concept of Outstanding Principal Balance. In order for an obligation (including the Reference Obligation) to constitute a Deliverable Obligation, it must have an Outstanding Principal Balance greater than zero;
- amended the definition of "Qualifying Guarantee" to expand the universe of guarantees that can constitute Qualifying Guarantees (with a particular emphasis on including, to some extent, guarantees with caps or transfer provisions); and
- introduced a large number of technical and other changes.

These changes in the 2014 ISDA Definitions as compared to the 2003 ISDA Definitions have been reflected in Definitions in respect of CLN and Hybrids Securities (*2014 ISDA Definitions Version*) in Condition 1.3 of this Base Prospectus, but in each case subject to important differences, including to reflect the nature of the Securities as compared to "over-the-counter" transactions and to reflect any hedging arrangements the Issuer may put in place. Some changes, such as the inclusion of a new Credit Event, may have significant economic effect on the Securities and may mean the value of the Securities and the return (if any) to investors is significantly different from Securities using Definitions in respect of CLN and Hybrids Securities (*2003 ISDA Definitions Version*) in Condition 1.2 of this Base Prospectus. Some changes may be disadvantageous to Holders and prospective investors should review carefully the terms of any issue of Securities and, where in any doubt, take advice from suitably qualified professional advisers.

Amendment of the Conditions in accordance with market convention

The Calculation Agent may from time to time amend any provision of the Conditions for CLN:

- (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees; and/or
- (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect the Hedging Transactions of the Issuer or any of its Affiliates.

Hedging Disruption

The terms and conditions provide that in the event that (a) the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Securities or to realise, recover or remit the proceeds of any such transaction(s) or asset(s), (b) the Reference Obligation no longer exists or other circumstances exist as described in paragraphs (i) or (ii) of the definition of Substitution Event and no Substitute Reference Obligation is determined (which the Calculation Agent may determine not to do in its sole discretion), or (c) the existing Hedging Transactions of the Issuer or any Affiliate, or the ability of the Issuer or any Affiliate to enter into new Hedging Transactions, are affected by any change in any standard terms used in any relevant market (such standard terms including, without limitation, any version of the ISDA Credit Derivative Definitions, any supplements thereto or any other terms or documentation that may be published by ISDA from time to time, and such a change including, without limitation, any amendment to or reinterpretation of any standard terms or the publication or introduction of new standard terms) or in market practice in any relevant market, in

the case of any of (a), (b) or (c) (each a **Hedging Disruption Event**) the Issuer may (i) make such adjustment to the Conditions of the Securities as the Issuer determines is appropriate to account for such Hedging Disruption Event and determine the effective date of that adjustment or (ii) if the Issuer determines that no adjustment that it could make would be sufficient (in the Issuer's opinion) to reflect the occurrence of the relevant Hedging Disruption Event, the Issuer may redeem or cancel all but not some only of the Securities as of such date as the Calculation Agent shall determine by notice given to the Holders, each CLN being redeemed at the Early Redemption Amount as calculated by the Calculation Agent in accordance with these Conditions.

Cheapest to deliver

Following a Credit Event Determination Date, subject to Auction Settlement procedures, if applicable, the Issuer is entitled to select an Obligation for delivery (or, if Cash Settlement applies, for valuation) which has the lowest value in the market at the relevant time, provided such obligation satisfies certain specifications and limits for qualification as a Deliverable Obligation or Obligation (as the case may be).

Increase of risk due to the replacement of a Reference Entity or succession

Reference Entities may be replaced due to events beyond the control of the Issuer, such as the merger of a corporate entity with another entity, in which case the Reference Entity may be replaced by its successor. Each such replacement may result in an increase in the risks involved for the Holders.

Concentration risks in case of CLN referring to a portfolio of Reference Entities

The probability of the occurrence of Credit Events with respect to the Reference Entities in a portfolio may depend on the degree of diversification among the Reference Entities. The composition of the portfolio of Reference Entities may change after the Issue Date. Such change may result in an increase of concentration among the Reference Entities and therefore also in an increase in the risks associated with such concentration.

Amendment in accordance with the terms of the CLN

In addition to any amendments the Calculation Agent may make from time to time to the provisions of the Conditions for CLNs in accordance with market convention (described above), the Conditions for CLN themselves contain certain provisions which permit the Calculation Agent in certain circumstances to make certain adjustments to such Additional Conditions for CLN. Such adjustments may affect both payments made to Holders under the CLN and the timing of any such payments.

Auction Settlement

Where Auction Settlement is specified as the applicable Settlement Method in respect of a Series of Securities and an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation. The Issuer, the Guarantor and the Holders may have little or no influence in the outcome of any such auction.

Auction Final Price and the Issuer's and/or the Guarantor's ability to influence the Auction Final Price

If the CLNs are redeemed or cancelled, as applicable, following the occurrence of a Credit Event, the amount payable in respect of the Securities may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms. There is a possibility that the Issuer, the Guarantor or the Calculation Agent (or one of their Affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations.

In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Issuer, the Guarantor or the Calculation Agent (or any Affiliate of any of them) shall be under no obligation to consider the interests of any Holder.

Role of the Credit Derivatives Determinations Committee

Credit Derivative Determinations Committees were established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Definitions (published on 12 March 2009) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Investors should consult the Issuer in case they require a copy of the ISDA Definitions. Credit Derivatives Determination Committees also apply under the 2014 ISDA Definitions. The terms and conditions for CLNs as set out in Conditions 1, 6, 7 and 8 of this Base Prospectus therefore reflect such auction procedures. In respect of a Credit Event relating to a CLN, prospective purchasers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

Consequently, payments on the CLNs and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a series of Securities in the relevant Final Terms.

Credit Event, Succession Event and Successor Backstop Dates

In respect of a Credit Event relating to a series of Securities, a Credit Event may not be triggered unless a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event within 60 calendar days of the occurrence of such potential Credit Event unless a Credit Event Determination Date has already occurred with respect to such event.

For the purposes of the succession provisions the look-back period is 90 calendar days and functions similarly. These provisions mean that there is a time limit on the ability to act on a Credit Event or succession and that it is possible that the Securities could be affected by a Credit Event or succession that took place prior to the Trade Date.

Settlement Suspension, Adjustments and Interest Provisions

If, following the determination of (i) where the 2003 ISDA Definitions apply, a Credit Event Determination Date in accordance the definition of Credit Event Determination Date, or (ii) where the 2014 ISDA Definitions apply, a Credit Event Determination Date but prior to the Maturity Date or Credit Settlement Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to determine the occurrence of a Credit Event have been satisfied, the Calculation Agent may at its option determine that the applicable timing requirements of these Conditions and the definition of Valuation Date and any other Conditions applicable to CLNs as determined by the Calculation Agent shall toll and be suspended and remain suspended (such period of suspension, a Suspension Period) until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has resolved (a) that a Credit Event has or has not occurred or (b) not to determine such matters. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has made such resolution, the relevant timing requirements of the Conditions applicable to CLNs that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA.

In the event of any such Suspension Period, the Calculation Agent may make (i) such consequential or other adjustment(s) or determination(s) to or in relation to these Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (ii) determine the effective date of such adjustment(s) or determination(s).

In the case of interest bearing CLNs, the Issuer shall be obliged to pay interest calculated in accordance with the terms and conditions provided that:

- (i) if a Suspension Period falls in any one or more Coupon Period(s), then no interest shall accrue during each portion of a Coupon Period during which a Suspension Period exists; and
- (ii) if a Coupon Payment Date falls in a Suspension Period, such Coupon Payment Date will be deferred until after the end of the Suspension Period.

No Representation or Warranty; Provision of Information

In relation to the CLNs, none of the Issuer, any Affiliate or any Guarantor makes any representation or warranty as to the credit quality of any relevant Reference Entity or Index. Prospective investors should obtain and evaluate the same information concerning the Reference Entities and relevant Indices as they would if they were investing directly in any securities issued by the Reference Entities.

The Issuer, any Affiliate or the Guarantor may have acquired, or during the term of the CLNs may acquire, information in relation to any Reference Entity or Index that is or may be construed, in the context of the CLNs, not to be publicly available or known to investors. None of the Issuer, any Affiliate or any Guarantor is under any obligation to make such information, whether or not confidential, available to investors. Past performance of such reference entities cannot be considered to be a guarantee by the Guarantor, or an indication, of future performance.

Business relationships

The Issuer, any Affiliate or the Guarantor may have existing or future business relationships with a Reference Entity (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for an investor.

The Issuer, any Affiliate and the Guarantor may deal in each obligation of a Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity or any other person or entity having obligations relating to a Reference Entity and may act with respect to such business in the same manner as each of them would had the CLNs not been in issue, regardless of whether any such action might have an adverse effect on a Reference Entity or the position of a an investor or otherwise (including any action which might constitute or give rise to a Credit Event).

Potential Conflicts of Interest

The Issuer, any Affiliate or the Guarantor may engage in trading activities (including hedging activities) related to interests underlying any CLNs and other instruments or derivative products based on or related to interests underlying any CLNs for their proprietary accounts or for other accounts under their management. The Issuer, any Affiliate or the Guarantor may also issue other derivative instruments in respect of interests underlying any securities for their proprietary accounts or for other accounts under their management. The Issuer, any Affiliate or the Guarantor may also act as dealer in connection with future offerings of shares or other CLNs or may act as financial adviser to companies whose securities impact the return on CLNs. Such activities could present certain conflicts of interest, could influence the prices of such shares or other CLNs and could adversely affect the value of such CLNs.

No claim against a Reference Entity or Obligations

A CLN will not represent a claim against any Reference Entity, Reference Obligation(s) or Obligation(s) or any Index or Indices to which any Reference Entity is linked and, in the event of any loss, an investor will not have recourse under a CLN to any Reference Entity or any Index or Indices to which any Reference Entity is linked nor shall an investor have any legal, beneficial or other interest whatsoever in any Reference Obligation, Obligation or other Obligations of a Reference Entity or any Index or Indices on which any Reference Entity is linked. Although the Holder of the CLN may bear similar market risks or other risks to a direct investment but will not be a beneficial

owner of any Reference Entity, Obligation or other obligations of any Reference Entity, it will not be able to exercise any rights (including any voting rights or other control rights) granted to direct owners of shares of the Reference Entity, Reference Obligation, Obligation or other obligations of the Reference Entity.

Legality of purchase

Neither the Issuer, any Affiliate nor the Guarantor has or assumes any responsibility for the lawfulness of the acquisition of the CLNs by a prospective purchaser of the CLNs, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. Investors should consult with their own legal advisors in determining whether, and to what extent, the CLNs will constitute legal investments for them, and the consequences of such an investment.

Independent review and advice

Each prospective purchaser of CLNs must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the CLNs (i) is fully consistent with its (or if it is acquiring the CLNs in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the CLNs as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the CLNs in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the CLNs.

Determinations

The determination as to whether a Credit Event or Market Disruption Event has occurred will be made on the basis of the Final Terms and without regard to any related determination by a Reference Entity or any action taken, omitted to be taken or suffered to be taken by any other person including, without limitation, any creditor of a Reference Entity.

No reliance

A prospective purchaser may not rely on the Issuer, any Affiliate or the Guarantor in connection with its determination as to the legality of its acquisition of the CLNs or as to the other matters referred to above.

None of the Issuer, any Affiliate or the Guarantor has any duty, obligation or responsibility towards an investor unless otherwise agreed in writing with that investor. In particular, without limiting the foregoing, none of the Issuer, any Affiliate or the Guarantor need provide information to, act on the instruction or request of, find alternative mechanisms for realising money for, or take into account the views of any investor. In taking action against third parties, the Issuer, any Affiliate and the Guarantor may combine holdings of debt, securities or other interests as they shall see fit and apply proceeds thereof, as they shall see fit.

4. RISK FACTORS IN RESPECT OF HYBRID SECURITIES

The Hybrid Securities are Securities which are both credit-linked and underlying-linked with the Nominal Value being linked to one or more Reference Entities and to one or more Underlying(s). Return on a Holder's investment depends not only on the creditworthiness of the Issuer and the Reference Entities but also on the creditworthiness of the issuer or obligor of the Underlying(s) and the performance of the Underlying(s).

An investment in the Hybrid Securities entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. Hybrid Securities should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions that are in a position to understand the special risks that an investment in these instruments involves. These risks include, among other things, the possibility that:

- (i) the occurrence of one or more Credit Events which may result in the reduction of the Nominal Value of the Credit-Linked Portion of the Hybrid Securities and the amount and timing of principal and non-principal amounts payable in respect of the Hybrid Securities as a whole
- (ii) the occurrence of one or more Events which may result in a reduction in, and a change in timing in payment of, amounts payable in respect of the Hybrid Securities;
- (iii) the Underlying(s) may be subject to significant price changes which will affect the amounts payable in respect of the Underlying Linked Portion of the Hybrid Securities and/or amounts payable in respect of the Hybrid Securities as a whole;
- (iv) the repayment of principal and the payment of interest or other non-principal amounts can occur at times and in amounts other than those anticipated by the Holder of a Hybrid Security;
- (v) the risks of investing in the Hybrid Securities encompass risks relating to the Reference Entities, the Underlyings, the issuers and obligors in respect thereof, together with risks that are specific to the Hybrid Securities themselves;
- (vi) any Hybrid Security that is indexed to more than one Reference Entity, Underlying or to formulas that encompass the risks associated with more than one type of asset, is likely to carry levels of risk that are greater than those linked to the Securities that are indexed to only one Reference Entity or one single type of Underlying;
- (vii) it may not be possible for investors to hedge their general exposure to the risks relating to the Hybrid Securities or any exposure to any specific risk relating to the Hybrid Securities; and
- (viii) any market disruption or extraordinary event could imply the disappearance of the Index or the Indices to which the Hybrid Securities may be linked.

In addition, the value of the Hybrid Securities is subject to greater levels of risk than the value of other securities. The secondary market, if any, for the Hybrid Securities may be affected by a number of factors, independent of the creditworthiness of the Issuer and Reference Entities and the value of the applicable Underlying(s), including the volatility of the Underlying(s), the time remaining to the maturity of such Hybrid Securities, the amount outstanding of such Hybrid Securities and market interest rates. The value of the applicable Underlying(s) and the likelihood of the occurrence of a Credit Event depend on a number of inter-related factors, including economic, financial and political events which are beyond the control of the Issuer. Any track record, financial data and/or economic figure concerning any Underlying(s) and/or Reference Entity should not be taken as a guarantee or an indication of future performance of such Underlying(s) and Reference Entities during the term of any Hybrid Security.

Credit-linkage

Amounts payable by the Issuer in respect of the Credit-Linked Portion of the Hybrid Securities are, *inter alia*, dependent on whether (i) a Credit Event has occurred in respect of the relevant Reference Entity(ies) and (ii) certain other events have occurred (for further information on risk factors, see the whole paragraph entitled Risk Factors). The occurrence of a Credit Event or such other event(s) may also impact on the amount(s) payable and the timing of

payment of amount(s) in respect of the Underlying Linked Portion of the Hybrid Securities. In certain circumstances, the Hybrid Securities will cease to bear interest (if any) or other non-principal amounts linked to the Underlying Linked Portion of the Hybrid Securities and the value paid to Holders on settlement may be less than their original investment and may in certain circumstances be equal to zero.

The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and/or other related characteristics of such Reference Entity, general economic conditions, conditions which may prevail on the financial markets, political situations or events, developments or trends in any particular industry. Prospective investors should review the Reference Entity/ies and conduct their own investigation and analysis assisted by any professional advisor they may deem necessary, with respect to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to each Reference Entity.

Any quotations obtained to determine the Settlement Amount may vary widely from dealer to dealer and substantially between Valuation Dates (if Multiple Valuation Dates apply). The Obligations selected, even in the absence of a Credit Event, may suffer from a substantial lack of liquidity which may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby having a material adverse impact on any determination of the value of such Obligation which in turn will impact on the Settlement Amount. Furthermore, the Calculation Agent is entitled to select the Obligation which has the lowest value in the market at the relevant time provided that such Obligation satisfies the criteria set out in the Final Terms.

Some Reference Obligations may have no, or only a limited, trading market. The liquidity of Reference Obligations will generally fluctuate with, among other things, the liquidity of the loan and bond markets, general economic conditions, conditions which may prevail on the financial markets, political situations and events and developments or trends in any particular industry. Prospective investors should review the Reference Entity/ies and conduct their own investigation and analysis with respect to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to each Reference Entity.

Some or all of the Reference Obligations may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of a Reference Entity, any resulting diminution in market value of the related Reference Obligation or Reference Obligations could be further magnified by reason of such limited liquidity.

The Issuer's obligations in respect of the Hybrid Securities are irrespective of the existence or risk of the Issuer's and/or any Affiliate's credit exposure to an Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Underlying-linkage

The Issuer shall select the Underlying(s) to which the Underlying Linked Portion of the Hybrid Securities shall be linked, as specified in the Final Terms.

A Holder will not be a beneficial owner of the Underlying(s) or of the components of the Underlying(s). As such, depending on the type of Hybrid Security, a Holder may bear similar market risks or other risks to a direct investment in the Underlying(s) or the components thereof but will not be entitled to any voting rights or other control rights to which holders of the Underlying(s) or the components thereof would be entitled.

The return on the Underlying Linked Portion of the Hybrid Securities will be determined by the Calculation Agent in good faith and consequently, such determination may not reflect the return the Holder would realise if he or she actually owned the Underlying(s) or the components thereof.

In certain circumstances, including following the occurrence of a Credit Event or an Event, the amount payable to Holders in respect of the Underlying Linked Portion or the Credit-linked Portion of the Hybrid Securities will be calculated by the Calculation Agent in good faith by reference to the Fair Market Value or, as the case may be, the Capitalised Fair Market Value (each as defined in the Conditions) (which may be zero) at the relevant date of

calculation and may be paid prior to or after the Scheduled Maturity Date. In such circumstances and due to the hybrid nature of the Hybrid Securities, the Holder could lose a substantial portion of the principal of such Security and non-principal amounts that would have accrued thereon.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

1. CONSENT GIVEN IN ACCORDANCE WITH ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE

In the context of any offer of Securities that is not within an exemption from the obligation to publish a prospectus under the Prospectus Directive, as amended, (a **Non-exempt Offer**), each of the Issuer and the Guarantor accepts responsibility in each Member State for which it has given its consent as specified below (each a **Public Offer Jurisdiction**) for the content of the Base Prospectus in relation to any person (an **Investor**) to whom any offer of Securities is made by any financial intermediary to whom it has given its consents to use of the Base Prospectus (an **Authorised Institution**), where the offer is made during the period for which that consent is given in a Public Offer Jurisdiction for which that consent was given and is in compliance with all other conditions attached to the giving consent.

However, neither the Issuer nor the Guarantor nor any Dealer is liable for any of the actions by any Authorised Institution, including compliance by any Authorised Institutions with applicable conduct of business rules or other local regulatory requirements or other legal obligations relating to financial instruments in relation to such offer.

Neither the relevant Issuer, nor the Guarantor nor any Dealer authorises the use of the Base Prospectus in the case of a Non-exempt Offer of Securities in a Member State other than a Public Offer Jurisdiction or in a Public Offer Jurisdiction but made by a financial intermediary to which the Issuer has not given its consent. Such unauthorised Non-exempt Offers are not made by or on behalf of the Issuer, the Guarantor, the Dealer or any Authorised Institution and neither the Issuer, nor the Guarantor nor the Dealer nor Authorised Institution accepts no responsibility for the actions of any person making such offers and the related consequences.

Save as provided above, neither the Issuer, nor the Guarantor nor the Dealer authorises that any Non-exempt Offers of Securities may be made in circumstances which make the Issuer to publish a prospectus or a supplement to the Base Prospectus.

2. TYPE OF CONSENT

Subject to the conditions set out below under “Common conditions to the consent” and if it is specified in the applicable Final Terms relating to any Tranche of Securities, the Issuer consents to the use of the Base Prospectus in relation to an Non-exempt Offer of such Securities during the offer period specified in the applicable Final Terms (the **Offer Period**).

The consent given by the Issuer to the use of the Base Prospectus for the purpose of a Non-exempt Offer of any Securities during the Offer Period and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms may be a specific consent (a **Specific Consent**) and/or a general consent (a **General Consent**), each as described hereafter and as specified in the Final Terms.

2.1 **SPECIFIC CONSENT**

It means that the Issuer consents to the use of the Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Securities by:

- (i) The relevant Dealer specified in the applicable Final Terms;
- (ii) Any financial intermediary(ies) specified in the applicable Final Terms and identified as an “Authorised Institution” in the applicable Final Terms; and
- (iii) Any financial intermediary(ies) appointed after the date of the applicable Final Terms and whose name [and address] is [are] published on the website of the Issuer (www.exane.com/exaneissues) and identified as an “Authorised Institution” in respect of the relevant Non-exempt Offer in the website of the Issuer.

2.2 GENERAL CONSENT

If so specified in the relevant Final Terms, it means that the Issuer consents to the use of the Base Prospectus in relation to Non-exempt Offer of Securities by any financial intermediary that fulfils the following conditions:

- (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any authority (the **Rules**), including, in particular and in each case, the Rules relating to both the suitability or appropriateness of any investment in the Securities by any person and disclosure to any potential investor;
- (b) observes and complies with the restrictions set forth in the "*Subscription, purchase and selling restrictions*" section of this Base Prospectus, as supplemented from time to time, which shall apply as if it were acting as a Dealer;
- (c) ensures that any fee (and any other commissions or benefits of any kind) or rebate received or paid by such financial intermediary in connection with the offer or sale of Securities does not violate the Rules and is fully and clearly communicated to Investors or potential Investors;
- (d) holds all permits, licenses, approvals and consents necessary for solicitation of interests in, or offering or selling Securities, pursuant to the Rules;
- (e) retains all investor identification records for at least the minimum period required under the applicable Rules and shall, upon request, place such records at the disposal of the relevant Dealer(s) and the Issuer or place them directly at the disposal of the relevant supervisory authority of the Issuer and/or the relevant Dealer(s) to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to money-laundering, prevention of corruption and client identification applicable to the Issuer and/or the relevant Dealer(s);
- (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or place the Issuer or the relevant Dealer(s) under an obligation to make any filing, obtain any authorisation or consent in any jurisdiction;
- (g) it commits itself to indemnify the relevant Issuer, the Guarantor and the Dealer for any damage, loss, expense, claim, request or loss and fees (including reasonably fees from law firms) incurred by one of its entities because of, or in relation with, any failure by this financial intermediary to respect any of these obligations above;
- (h) it acknowledges that its commitment to respect the obligation above is governed by French law and agrees that any related dispute is brought before the Tribunal de Commerce de Paris, France; and
- (i) satisfies any other condition specified in the relevant Final Terms.

For the avoidance of doubt, neither the Dealers nor the Issuer shall be under any obligation to ensure that an Authorised Institution is acting in compliance with all laws and regulations and, accordingly, neither the Dealers nor the Issuer shall under any circumstances be liable in such regard.

Any Authorised Institution falling within paragraph 2.2 herein who meets the conditions set out in paragraph 2.2 and the other conditions state in "Common conditions to consent" below and who wishes to use this Base prospectus in connection with a Non-exempt Offer of Securities is required, during the Offer Period, to publish on its website that it uses the Base Prospectus for such Non-exempt Offer in accordance with this paragraph 2.2 and the related conditions.

3. COMMON CONDITIONS TO THE CONSENT

The above-mentioned consent applies to Offer Periods occurring within 12 months following the date of approval of the Base Prospectus by the CSSF.

The consent by the Issuer to the use of the Base Prospectus:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and

- (ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in France, Belgium, Germany, Italy, Austria, Netherlands and Sweden, as specified in the Final Terms.

The only relevant Member States for which each of the Issuer and the Guarantor has given a consent for the making of Non-exempt Offers and which may be specified in the applicable Final Terms as indicated in the paragraph 3(ii) above as Public Offer Jurisdictions will be France, Belgium, Germany, Italy, Austria Netherlands, and Sweden.

4. ARRANGEMENTS BETWEEN THE INVESTORS AND AUTHORISED INSTITUTIONS

Any Investor who intends to acquire or acquires Securities from an Authorised Institution shall do so, and any offers or sales of Securities by an Authorised Institution to an Investor shall be made, in compliance with all conditions and other agreements made between the relevant Authorised Institution and Investor including with regard to the price, allotment, settlement-delivery arrangements and any costs or taxes to be invoiced to the Investor (the **Conditions of the Non-exempt Offer**). The Issuer is not a party to such agreements with the Investors (other than the Dealers) in connection with the offer or sale of Securities and, accordingly, this Base Prospectus and any Final Terms shall not include such information. The Conditions of the Non-exempt Offer shall be communicated to Investors by the Authorised Institution at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or Authorised Institutions shall be liable for such information or the consequences of its use by the relevant Investors.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. Neither the Issuers nor the Dealer represents that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offer. In particular, no action has been taken by the Issuer or the Dealer which is intended to permit a public offering of any Securities or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. For a description of certain further restrictions on the offer and sale of Securities in, among others, the United States, the European Economic Area (including France, the United Kingdom, the Republic of Italy and Belgium), Japan, Singapore and Switzerland, and on the distribution of this Base Prospectus, see "Subscription, purchase and selling restrictions".

DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus should be read and construed in conjunction with the following documents that have been previously published or are published simultaneously with the Base Prospectus and have been filed with the CSSF in its capacity as the competent Luxembourg authority for the purposes of the Prospectus Directive and the relevant Luxembourg implementing measures and that are incorporated by reference in, and form part of, the Base Prospectus:

- The debt securities issue programme of Exane Finance, unconditionally and irrevocably guaranteed by Exane Derivatives dated as of 25 June 2013 (**the 2013 Base Prospectus**);
- The first supplement to the 2013 Base Prospectus dated 11 December 2013 (the “First Supplement 2013”);
- The second supplement to the 2013 Base Prospectus dated 11 March 2014 (the “Second Supplement 2013”);
- The debt securities issue programme of Exane Finance, unconditionally and irrevocably guaranteed by Exane Derivatives dated as of 25 June 2014 (**the 2014 Base Prospectus**);
- The second supplement to the 2014 Base Prospectus dated 03 February 2015 (the “Second Supplement 2014”);
- The financial statements of Exane Finance for the financial year ended 31 December 2013;
- The financial statements of Exane Finance for the financial year ended 31 December 2014;
- The financial statements of Exane Derivatives for the financial year ended 31 December 2013;
- The financial statements of Exane Derivatives for the financial year ended 31 December 2014.

The English version of the financial statements of both Exane Finance and Exane Derivatives for the financial years ended 31 December 2013 and 31 December 2014 is an unofficial free translation for information purposes only of the French language version. The Issuer takes the responsibility of this unofficial free translation.

The yearly financial statements of Exane Finance and Exane Derivatives have been audited, respectively by Conseil Audit & Synthèse and Deloitte & Associés for Exane Finance and Mazards and Deloitte & Associés for Exane Derivatives.

Copies of these documents may be obtained free of charge from the designated agencies of Exane Derivatives and/or BNP Paribas Securities Services, Luxembourg Branch in their respective capacities as Principal Paying Agent and Paying Agent in Luxembourg.

As an exception to this principle, any representation appearing in the Base Prospectus or in any of the documents incorporated by reference therein shall be deemed to have been amended or replaced, for the purposes of the Base Prospectus, by any representation appearing in a document subsequently filed with the CSSF and specifically intended to amend or replace said representation (whether explicitly or implicitly).

The documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Information incorporated by reference which does not appear in the cross reference tables hereunder should be considered as supplemental information and is therefore not required for the purpose of the relevant sections of Regulation EC 809/2004, as amended.

CROSS REFERENCE LIST RELATING TO PREVIOUS BASE PROSPECTUS

Documents incorporated by reference

Exane Finance

Securities Previous Conditions

Previous Base Prospectus	Section	Pages
2013 Base Prospectus	Conditions of the Securities	Pages 121 to 371
	Technical Annex	Page 401 to 488
First Supplement 2013	Technical Annex	Pages 8 to 89
Second Supplement 2013	Conditions of the Securities	Page 1
	Technical Annex	Page 7 to 95
2014 Base Prospectus	Conditions of the Securities	Pages 141 to 408
Second Supplement 2014	Technical Annex	Pages 73 to 79

**CROSS REFERENCE LIST IN RESPECT OF THE FINANCIAL INFORMATION RELATING
TO EXANE FINANCE AS ISSUER, EXANE DERIVATIVES AS GUARANTOR AS OF 31
DECEMBER 2013 AND 31 DECEMBER 2014**

		<u><i>Financial Statements 2013</i></u>	<u><i>Financial Statements 2014</i></u>
<i>Financial information in respect of EXANE FINANCE as Issuer</i>	<i>Historical financial information</i>		
	a) <i>Balance Sheet (asset and liabilities)</i>	page 4	page 4
	b) <i>Profit and Loss Account</i>	page 5	page 5
	c) <i>Cash Flow Statement</i>	page 11	page 11
	d) <i>Notes to the financial statements</i>	pages 7 to 11	pages 7 to 11
	<u>Attestation</u> : <i>report of the statutory auditors</i>	pages 1 to 3	pages 1 to 3

		<u><i>Financial Statements 2013</i></u>	<u><i>Financial Statements 2014</i></u>
<i>Financial information in respect of EXANE DERIVATIVES as Guarantor</i>	<i>Historical financial information</i>		
	a) <i>Balance Sheet (asset and liabilities)</i>	page 4	page 4
	b) <i>Profit and Loss Account</i>	page 5	page 5
	c) <i>Cash Flow Statement</i>	page 21	page 19
	d) <i>Notes to the financial statements</i>	Pages 7 à 21	pages 7 to 19
	<u>Attestation</u> : <i>report of the statutory auditors</i>	pages 1 to 3	pages 1 to 3

CONDITIONS OF THE SECURITIES

The Conditions shall apply to all Securities issued pursuant to the Programme described in the Base Prospectus. The following provisions set forth the Conditions governing these Securities, subject to any additions that may be made to these Conditions by the Final Terms or any other document.

A financial agency agreement in respect of the Securities was entered into 24 June 2015 (the **Agency Agreement**) between Exane Finance as issuer (the **Issuer**) Exane Derivatives as guarantor or pledgor (the **Guarantor** and the **Pledgor**), as calculation agent (the **Calculation Agent**), as financial agent (the **Financial Agent**), as principal paying agent (the **Principal Paying Agent**), BNP Paribas Securities Services, Luxembourg Branch, as paying agent in Luxembourg (the **Luxembourg Paying Agent** and together with the Principal Paying Agent, the **Paying Agents**), and BNP Paribas Securities Services as settlement confirmation agent (the **Settlement Confirmation Agent**) and as pledged account custodian (the **Pledged Account Custodian**) (however, it is understood that another entity may be specified as the Luxembourg Paying Agent, Calculation Agent or Settlement Confirmation Agent in the Final Terms).

Copies of the Agency Agreement are available to Security Holders during normal business hours from the designated agencies of each of the Paying Agents or, if applicable, from the Registrar. Any person benefiting from rights attached to Securities shall be deemed to have read the provisions of the Agency Agreement.

The Securities shall not constitute bonds as defined by article L. 228-38 of the French commercial code. Although the Securities with identical features will be issued by series (a **Series**), each Security shall constitute a separate debt security. Each Series shall be described in the final terms (the **Final Terms**), a copy of which shall be available during normal business hours from the designated agencies of the Financial Agent or, if applicable, of the Registrar (as stipulated in Condition 2.2) and from the Paying Agent in Luxembourg if the Securities are admitted to trading on the Regulated market and listed on the Luxembourg Stock Exchange. For any Series of Securities for which an admission to trading on a regulated market has not been requested, the copies of the Final Terms for consultation by the Holder shall only be available from the Financial Agent and any Dealer.

References made in the Base Prospectus to the "Final Terms" refer to the Final Terms applicable to the issue of a Series of Securities.

The terms and expressions defined in the Conditions shall have the same meaning when used in the Agency Agreement or in the Final Terms, unless the context requires otherwise or except where otherwise stipulated.

1. DEFINITIONS

In the event of any inconsistency between any defined term set out in this section 1.1 and any defined term set out in the sections below entitled "1.2 Definitions in respect of the CLN or of Hybrid Securities (2003 ISDA DEFINITIONS VERSION)" and "1.3 Definitions in respect of CLN and Hybrid Securities (2014 ISDA DEFINITIONS VERSION)", insofar as such defined term relates to a CLN or to a Hybrid Security, the relevant defined term set out in section 1.2 and 1.3 shall prevail. Likewise, in the event of any inconsistency between any defined term set out in this section 1.1 and any defined term set out in the sections below entitled "1.2 Definitions in respect of the CLN or of Hybrid Securities (2003 ISDA DEFINITIONS VERSION)" and "1.3 Definitions in respect of CLN and Hybrid Securities (2014 ISDA DEFINITIONS VERSION)", insofar as such defined term relates to a Certificate, the relevant defined term set out in section 1.1 shall prevail.

The terms used in the Conditions shall have the following meanings:

1.1 DEFINITIONS IN RESPECT OF CERTIFICATES AND COMMON DEFINITIONS FOR CERTIFICATES AND CLNS AND HYBRID SECURITIES

Accredited Financial Intermediary(ies) means any financial establishment authorised to keep accounts in the name of its clients in Euroclear France (66, rue de la Victoire – 75009 Paris – France), and includes the depositary banks of Clearstream Luxembourg, *société anonyme* (42, avenue JF Kennedy – L-1855 Luxembourg – Grand Duché du Luxembourg) and Euroclear Bank SA/NV (1, boulevard du Roi Albert II – 1210 Bruxelles – Belgique).

Acknowledgement of Pledge means the acknowledgement of pledging of securities account which is the certificate containing the inventory of the instruments and amounts recorded in the Pledged Account on the date of the acknowledgement issued by the Pledged Account Custodian. The form of the Acknowledgement of Pledge appears in the Base Prospectus.

Automatic Early Settlement Amount means the automatic early settlement amount in cash and/or the Quantity of Underlyings to which each Security gives entitlement at the time of its settlement, as soon as the Automatic Early Settlement Condition, as determined in accordance with the Technical Annex and specified in the applicable Final Terms, occurs or is not met as the case maybe, if so specified in the applicable Final Terms, in accordance with one of the Pay-Off Formulas.

Automatic Early Valuation Date means, with respect to an Automatic Early Settlement, the date or dates specified in the Final Terms, or if such date(s) is(are) not an Exchange Business Day, the next Exchange Business Day.

Basket of Multi Underlyings means a Certificate or a Hybrid Security indexed to a combinaison of several type of Underlyings such as Shares, Indices (which may therefore include a combinaison of several Mono-Exchange Index(ices), Multi-Exchange Index(ices) and / or Proprietary Index(ices)), Fund Units, Futures Contracts, Exchange Rates, Debt Securities, Listed Options and / or Commodities.

In that case any Market Disruption Event occurring on a Basket of Multi Underlying, the Valuation Date for all Underlyings of the Basket of Multi Underlyings, included those not affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day for the Underlying affected by the occurrence of a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date for all Underlyings of the Basket of Multi Underlyings, including the Underlying affected by the occurrence of a Disrupted Day, notwithstanding that such day is a Disrupted Day for the relevant affected Underlying and (2) the Calculation Agent shall determine in good faith the fair value or the level as the case may be of that affected Underlying at the Valuation Time on such eighth Disrupted Day, by taking into account any specifications if any indicated in the Condition of the relevant Underlying.

In respect of the occurrence of any Event, which can not be resolved by any adjustment specified for the relevant Underlying of the Basket of Multi Underlying affected by the Event, the Issuer may, for the avoidance of doubt, terminate its obligations as per specified in each Condition of the Underlying.

Benchmark means the Floating Rate as set out in the relevant Final Terms.

Business Day Convention means the business day convention specified in the Final Terms and, for Floating Rates, as defined by Condition 4.2.B. In the absence of specification in the Final Terms, except for the Floating Rates, the Business Day Convention will be Following Business Day.

Business Day means:

- (i) for the euro, a day when the Trans-European Automated Real-Time Gross Settlement Express Transfer System known as TARGET 2 (**TARGET 2**) or any successor system is operating (a **TARGET 2 Business Day**); and/or
- (ii) for a Settlement Currency other than the euro, a day (other than a Saturday or Sunday) when the commercial banks and foreign exchange markets perform settlements on the principal financial market for this currency; and/or
- (iii) in the case of a Settlement Currency and/or one or more business centre(s) specified in the relevant Final Terms (the **Business Centre(s)**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s), or if no currency is indicated, generally in each of the Business Centre(s) so specified.
- (iv) for any other reason, a day when the commercial banks are open and the foreign exchange markets are operating in Paris.

Calculation Agent means Exane Derivatives or any other person or entity indicated as such in the Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Paying Agents and the Holders and may not be challenged in the absence of a manifest error.

Cash Settlement means, with respect to the Certificates, a settlement made in accordance with Condition 5.1.A.

Certificate means a Security issued by the Issuer in accordance with this Base Prospectus as supplemented by the Final Terms, indexed to one or more Underlyings.

Certificate of Valid Settlement means a certificate provided by Euroclear France or the Settlement Confirmation Agent and testifying that the Securities has been settled. The form of the Certificate of Valid Settlement appears in the Base Prospectus

CMS means the "*constant maturity swap*" rate for the relevant maturity, as published on the relevant Screen Page.

Coefficient Multiplier means a number, as indicated in the Final Terms. In accordance with Condition 4.8.(i), the Rate of Interest is equal to the Floating Rate multiplied by the Coefficient Multiplier..

Commodity shall have the meaning ascribed thereto in Condition 5.9.

Company shall have the meaning given thereto in Condition 5.7 or Condition 5.14.

Currency means the currency in which the Securities are denominated as set out in the Final Terms which, subject to compliance with the applicable laws, regulations and directives, may be the Euro, the U.S. Dollar, the Pound Sterling, the Swiss Franc, the Yen or any other currency agreed by the Issuer and the Dealer.

Day Count Fraction means, for the calculation of an interest amount for a Security over any period (beginning the first day of this period (including this day) and ending the last day (excluding this day)), whether or not this period constitutes an Interest Period (hereinafter the **Calculation Period**), the number of days defined as follows:

- (i) if the terms **Actual/365 - FBF** or **Actual/Actual - ISDA** or **Actual/Actual** are specified in the Final Terms, this is the actual number of days in the Calculation Period divided by 365 (or if any portion of this Calculation Period falls in a leap year, the sum of (A) the actual number of days in this Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in the Calculation Period falling in a non-leap year divided by 365);

- (ii) if the terms **Actual/Actual - FBF** are specified in the Final Terms, this is a fraction in which the numerator is the actual number of days in this period and the denominator is 365 (or 366 if 29 February is included in the Calculation Period). If the Calculation Period is greater than one year, the base is determined as follows:
- the number of full years is counted from the last day of the Calculation Period;
 - this number is increased by the fraction over the relevant period, calculated as described in the first paragraph of this;
- (iii) if the term **Actual/365 (Fixed)** is specified in the Final Terms, this is the actual number of days in the Calculation Period divided by 365;
- (iv) if the term **Actual/360** is specified in the Final Terms, this is the actual number of days in the Calculation Period divided by 360;
- (v) if the terms **30E/360** or **Eurobond Basis** are specified in the relevant Final Terms, for each Calculation Period, this is a fraction in which the denominator is 360 and the numerator is the number of days in this period, calculated over a year of twelve 30-day months, with the following exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days in this month is the actual number of days,

where:

D1 (dd¹, mm¹, yy¹) is the period commencement date

D2 (dd², mm², yy²) is the period end date

The fraction is:

$$\frac{1}{360} \times \left[\left(\left(yy^2 - yy^1 \right) \times 360 + \left(mm^2 - mm^1 \right) \times 30 + \text{Min}(dd^2, 30) - \text{Min}(dd^1, 30) \right) \right]$$

- (vi) if the terms **30/360 - FBF** or **Actual 30A/360 (American Bond Basis)** are specified in the Final Terms, for each Calculation Period, this is a fraction in which the denominator is 360 and the numerator is the number of days calculated as for the 30E/360 – FBF, with the following exception:

when the last day of the Calculation Period is a 31 and the first is neither a 30 nor a 31, the last month of the Calculation Period shall be considered to be a 31-day month;

using the same definitions as below for 30E/360 - FBF, the fraction is:

if dd² = 31 and dd¹ ≠ (30, 31),

then:

$$\frac{1}{360} \times \left[\left(\left(yy^2 - yy^1 \right) \times 360 + \left(mm^2 - mm^1 \right) \times 30 + \left(dd^2 - dd^1 \right) \right) \right]$$

- (vii) if the terms **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
- (A) where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period

ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms, the **Determination Dates** and each a **Determination Date**) that would occur in one calendar year; and

- (B) where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.
- (viii) if **30/360** is specified in the applicable Final Terms and the Securities are Fixed Rate Securities, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (ix) if **30/360**, **360/360** or Bond Basis is specified in the applicable Final Terms and the Securities are Variable Rate Securities, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

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

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

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

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

- (x) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

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

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

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

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

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

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

Debt Instrument shall have the meaning given thereto in Condition 5.14. All related expressions must be construed accordingly.

Early Settlement Amount means the fair market value of the relevant Security and/or the amount of Underlyings to Deliver, as determined by the Calculation Agent.

Eligible Financial Instruments mean the financial securities as defined in article L. 211-1 of the French monetary and financial code, including but not limited French or foreign transferable securities traded on a regulated market, shares or units in collective investment undertakings as defined in article L. 214-1 of the French monetary and financial code, or any other financial instrument as specified in the Final Terms.

EONIA means the reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on Reuters screen EONIA page (or any other substitute page) in respect of that day.

EUR-EURIBOR-Reference Banks means the rate that will be determined on the basis of the rates at which deposits in euros are offered by the Reference Banks, at approximately 11:00 a.m., Paris time on the day that is two TARGET 2 Business Days prior to the first day of the Interest Period, to leading banks on the Paris interbank market for the relevant Interest Period. This rate shall be expressed to two decimal places. The Calculation Agent will request the principal Paris office of each of the Reference Banks to provide a quotation of its rates. If at least two quotations are provided, the rate for the relevant Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are obtained, the rate for the relevant Interest Period will be the arithmetic mean of the rates provided by leading Paris banks, selected by the Calculation Agent at approximately 11:00 a.m., Paris time on the same day.

Exane Guarantee means the first demand guarantee from Exane Derivatives covering the payment of any amount due on the Securities issued pursuant to this Programme. The form of the Exane Guarantee appears in the Base Prospectus.

Exchange shall have the meaning ascribed thereto for each Underlying in Conditions 5.7 to 5.14.

Exchange Business Day shall have the meaning ascribed thereto in Conditions 5.7, 5.8, 5.9, 5.10, 5.11, 5.12 and 5.14. For the purpose of the hereof definition, “Fund Business Day” used in Condition 5.10 will mean “Exchange Business Day”..

Exchange Business Day (All Multi Underlyings Basis) means an Exchange Business Day (as such term is defined for each Underlying specified in the relevant Final Terms) for each Underlying of the Certificate or the Hybrid Security when relating to a Basket of Multi Underlyings.

Exchange Business Day (Per Multi Underlying Basis) means an Exchange Business Day (as such term is defined for each Underlying) for an Underlying of the Certificate or the Hybrid Security when relating to a Basket of Multi Underlyings.

Exchange Rate shall have the meaning given thereto in Condition 5.13.

Ex-Date means, for a specific Interest Payment Date, the date defined as such in the Final Terms, as from which no Interest will be due to a Holder for all negotiation of Securities after that date.

FBF Definitions means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules as published by the Fédération Bancaire Française and as amended, if applicable, on the Issue Date. Where an issue of Securities uses these definitions, they may be obtained from the Calculation Agent.

Final Settlement Amount means, in respect of a Security, the settlement amount in cash and/or, if applicable the Quantity of Underlyings to which each Security gives entitlement at the time of its settlement determined, if so specified in the applicable Final Terms, in accordance with one of the Pay-Off Formulas.

Fixed Pledge Value means the fixed value of the Pledge as defined in the Final Terms and in the Statement of Pledge

Fixed Rate means the fixed interest rate specified in the Final Terms.

Floating Rate Business Day means that when this term is used in conjunction with the term “Business Day Convention” the business day convention as defined by Condition 4.2.B.

Floating Rate means the variable rate EONIA, EUR-EURIBOR-Reference Banks, IBOR or CMS, as indicated in the Final Terms.

Following Business Day means that, when this term is used in conjunction with the term "Business Day Convention", that date is not a Business Day so that this date will be the first following day that is a Business Day.

Formal Demand means the notice by which the Pledgee formally demands to the Issuer, execution of the obligation of payment within the limit of the Secured Debt regarding a Security having the benefit of a pledging of securities account. The form of the Formal Demand to the Issuer appears in the Base Prospectus.

Fund shall have the meaning ascribed thereto in Condition 5.10.

Fund Unit shall have the meaning ascribed thereto in Condition 5.10

Futures Contract shall have the meaning ascribed thereto in Condition 5.11.

Hedging Party means the Issuer and/or any other entity of the Exane group (including Exane Derivatives) in relation to hedging operations linked to the issue of the Securities.

Holder means each person (i) whose account with a relevant Accredited Financial Intermediary is credited with a specific number of Securities in the case of Securities in bearer form, (ii) whose name appears in the account of an

account custodian designated by said person in the case of administered Securities, and (iii) whose name is listed in the accounts of the Issuer or the Registrar in the case of Securities held in an account with the Issuer.

IBOR means the interbank offered rate, calculated by the local interbank association on the relevant date of determination.

Independent Expert means an independent expert appointed by the Calculation Agent.

Index(Indices) shall have the meaning ascribed thereto in Conditions 5.8

Instruction for Enforcement of the Pledge means the document appearing in the Base Prospectus allowing for the enforcement of the Pledge.

Interbank Rate means the interbank overnight rate in the specified Currency, as defined in the Final Terms.

Interest Amount means the amount of interest payable as defined in Condition 4.9, determined, if so specified in the applicable Final Terms, in accordance with one of the Pay-Off Formulas.

Interest Commencement Date means the Issue Date of the Securities or any other date that may be indicated in the Final Terms.

Interest Determination Date means, with respect to an Rate of Interest and an Interest Period, the date defined as such in the Final Terms or, if no date is specified, (i) the date that is two TARGET 2 Business Days prior to the first day of said Interest Period if the Settlement Currency is the euro, or (ii) the first day of said Interest Period if the Settlement Currency is the Pound Sterling, or (iii) if the Settlement Currency is neither the Pound Sterling nor the euro, the date in the city indicated in the Final Terms that is two Business Days prior to the first day of said Interest Period.

Interest Payment Date means the date or dates indicated in the Final Terms, subject to the applicable Business Day Convention.

Interest Period means the period beginning on the Interest Commencement Date (inclusive) and ending on the first Interest Payment Date (exclusive) as well as each following period beginning on an Interest Payment Date (inclusive) and ending on the following Interest Payment Date (exclusive).

ISDA Definitions means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Associations, Inc., and as amended, if applicable, on the Issue Date. Where an issue of Securities uses these definitions, they may be obtained from the Calculation Agent.

ISIN Code(s) means the International Securities Identification Number code of the Securities or, as the case may be, of an Underlying, specified as such in the applicable provision of the applicable Final Terms.

Issue Date means the date indicated as such in the Final Terms.

Issue Price means the price on the basis on which the Securities may be issued (expressed either (i) a percentage of the Nominal Value or (ii) an amount in currency of each Security) agreed between the Issuer and the Dealer and as specified in the Final Terms.

Issue Size means in respect of a Series or a Tranche the size of the issue specified in the Final Terms and expressed in nominal or unit (number of Securities)

Listed Option(s) shall have the meaning ascribed thereto in Condition 5.12.

Management Company shall have the meaning given thereto in Condition 5.10.

Margin means the percentage that must be added or deducted from the Floating Rate in order to calculate the Rate of Interest in accordance with Condition 4.8 of the Final Terms.

Maturity Date means the date indicated as such in the Final Terms, except with respect to the CLN and the Hybrid Securities, in which case this term shall have the meaning defined in Condition 1.2 or 1.3.

Minimum Pledge Value means the minimum value of the Pledge on each Pledge Calculation Date as defined in the Final Terms and in the Statement of Pledge.

Minimum Trading Number means the minimum trading amount of Securities specified in the Final Terms.

Modified Following Business Day means that, when this term is used in conjunction with the term "Business Day Convention", any date that is not a Business Day so that this date will be the first following Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

Moody's means the ratings agency Moody's Investors Service Inc. and any successor thereof.

Multi Underlyings means a Certificate or a Hybrid Security indexed on similar type of Underlyings or a combinaison of Underlyings, as specified in the relevant Final Terms.

Nominal Value means the nominal value assigned to the Securities in the Final Terms, subject to compliance with the applicable laws, regulations and directives.

Option Threshold Trigger means (i) the applicable ratio between the outstanding number of Certificates and the Issue Size as provided in the Final Terms which may trigger an optional settlement by the Issuer of the Certificates or (ii) the applicable amount expressed in the currency as provided in the Final Terms which may trigger an optional settlement by the Issuer of the Certificates. In the absence of such provision, the Option Threshold Trigger shall be deemed to be the applicable ratio equal to or lower than 10% of the Issue Size.

Optional Settlement Amount means the fair market value of the relevant Security and/or the quantity of Underlyings to be delivered on the Optional Settlement Date, determined by the Calculation Agent or the amount determined in accordance with one of the Pay-Off Formulas, if so specified in the applicable Final Terms.

Partial Settlement means that in the case of a partial settlement or partial exercise by the Issuer of its settlement option at the Issuer's discretion. Such a settlement shall be effected by reduction of the Nominal Value of the Certificates in proportion to the nominal amount paid.

Physical Settlement means, with respect to the Certificates, a settlement made in accordance with Condition 5.1.B.

Pledge means, for each relevant Series of Securities, the pledging of securities account pursuant to Article L. 211-20 and Articles D. 211-20 and following of the Monetary and Financial Code given by Exane Derivatives as Pledgor.

Pledge Calculation Date means the date referred to in the Final Terms.

Pledged Account Custodian means BNP Paribas Securities Services or any other Pledged Account Custodian indicated in the Final Terms pursuant to Condition 3.3.E and 13.3.

Pledged Account means, for each Pledge, the financial instruments account pledged, the references of which appear in the Statement of Pledge.

Pledgee means Exane Derivatives, the initial subscriber of the Securities described in the Final Terms, residing at 16, avenue Matignon – 75008 Paris – France, as well as any subsequent Holder of one or more Securities (i) whose name appears in the books of an Accredited Financial Intermediary (i.e., any financial institution authorised to hold accounts in the name of its clients on Euroclear France or in the books of any other depositary nominated in the

Final Terms (such as SIX SIS AG Ltd in Switzerland), including the current depositary bank of Clearstream Banking, a joint stock company, or any bank that may succeed it in this capacity, and Euroclear Bank SA/NV, as operator of the Euroclear system) with Euroclear France, in the case of bearer or administered registered Securities, or (ii) whose name appears in the accounts of the Issuer or the Registrar in the case of Securities in pure registered form.

Pledgor means Exane Derivatives, holder of the Pledged Account, in its capacity as constituent of the Pledge.

Preceding Business Day means that, when this term is used in conjunction with the term "Business Day Convention", any date is not a Business Day so that this date will be the first preceding day that is a Business Day;

Price Source shall have the meaning given thereto in Condition 5.9.

Quantity means (i) with respect to the Certificates, the meaning given thereto for each Underlying in Conditions 5.7 to 5.14 and (ii) with respect to the CLN or Hybrid Securities, the amount designated in the Final Terms.

Quantity of Eligible Financial Instruments means the minimum quantity of financial instruments pledge, as defined in the Final Terms.

Rate of Interest means the yield (expressed as a percentage) to which the Securities give right and which is determined in accordance with the Conditions of the Securities and specified in the Final Terms.

Reference Banks mean the leading institutions on the relevant interbank market designated as such in the Final Terms or, where no institution is designated or is unable to provide the value of the Floating Rate, at least two leading banks selected by the Calculation Agent on the relevant interbank market, with the exception of any member of the Exane group.

Reference Date means, for any Security, the date on which the amount still due on the relevant Securities is paid in full.

Reference Date for the Holder means the date as specified in the Final Terms and as from which the Holder may exercise its settlement option at the Holder's discretion as detailed in Conditions 5.5

Reference Date for the Issuer means the date as specified in the Final Terms and as from which the Issuer may exercise its settlement option at the Issuer's discretion as detailed in Conditions 5.4.

Reference Financial Market means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR or EONIA, shall be the Euro-zone, and in the case of IBOR, shall be London) or, if none is so connected, Paris.

Reference Market shall have the meaning ascribed thereto in Condition 5.8.

Reference Time means, with respect to any Interest Determination Date, the local time in the Reference Financial Market specified in the relevant Final Terms or if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre 11:00 a.m (Brussels time).

Registrar means the establishment specified as such in the Final Terms, which may be responsible, in the case of Securities held in an account with the Issuer, for keeping the register in which Holders are recorded on behalf of the Issuer.

Related Exchange shall have the meaning ascribed thereto in Conditions 5.7, 5.8, 5.9, 5.10 and 5.14.

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

Representative Amount means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms, or if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

Scheduled Interest Payment Date(s) means with respect to a Floating Rate, the date indicated as such in the Final Terms

Scheduled Maturity Date means the date(s) specified in the Final Terms.

Scheduled Period means the period defined as such in the Final Terms.

Scheduled Trading Day (All Multi Underlyings Basis) means a Scheduled Trading Day (as such term is defined for each Underlying specified in the relevant Final Terms) for each Underlying of the Certificate or the Hybrid Security when relating to a Basket of Multi Underlyings.

Scheduled Trading Day (Per Multi Underlying Basis) means a Scheduled Trading Day (as such term is defined for each Underlying) for an Underlying of the Certificate or the Hybrid Security when relating to a Basket of Multi Underlyings.

Screen Page means the reference page of the quotation source as set out in the Final Terms, except for Certificates in respect of which a specific definition is provided in Condition 5.14.

Secured Debt means each payment obligation and liability as described in the Final Terms, whether present or future, actual, contingent or owed jointly or severally (or any other capacity whatsoever), secured by the Pledge, within the limits of the mark to market of the Securities without Issuer spread, and whose the basis; the type or the amount is specified in the Final Terms.

Securities means the Certificates, the CLN and the Hybrid Securities.

Settlement Amount means the Final Settlement Amount, the Early Settlement Amount, the Optional Settlement Amount, the Automatic Early Settlement Amount and/or the Interest Amount.

Settlement Confirmation Agent means BNP Paribas Securities Services or any other person or entity indicated as such in the Final Terms.

Settlement Currency means the currency specified as set out in the Final Terms and used for the payment of any amount in respect of the Securities. Any amount not denominated in the Settlement Currency and used to pay any amount in respect of the Securities shall be converted into the Settlement Currency using the Conversion Rate.

Settlement Date means, as the case may be, the Maturity Date, the settlement date for an Early Settlement, the Automatic Early Settlement Date, the Optional Settlement Date or if on of these dates is not a Business Day, the following Business Day.

Share(s) shall have the meaning ascribed thereto in Condition 5.7.

Specified Duration means with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment.

Sponsor shall have the meaning ascribed thereto in Condition 5.8.

Statement of Pledge means each statement of pledging of securities account signed by the Pledgor for the constitution of each Pledge. The form of the Statement of Pledge appears in the Base Prospectus.

Substitute Underlying means a Substitute Share, a Substitute Index, a Substitute Fund Unit, a Substitute Futures Contract, a Substitute Debt Instrument, a Substitute Exchange Rate, a Substitute Listed Option or a Substitute Commodity.

Substitution shall have the meaning given thereto for each Underlying in Conditions 5.7 to 5.14.

Trade Date means the date specified as such in the Final Terms.

Tranche(s) means Securities which are identical in all respect except for their respective Issue Dates, Interest Commencement Date(s) and or Issue Size and constitutes together with the first Tranche and any further Tranche(s) of Securities a Series

Underlying means a Share, an Index, a Fund Unit, a Futures Contract, an Exchange Rate, a Debt Instrument, a Listed Option, a Commodity, a credit risk or a hybrid risk.

Valuation Date means, for a Certificate (other than a Certificate linked to a Fund or Fund Basket where Valuation Date shall have the meaning ascribed thereto in Condition 5.10), the date or dates specified in the Final Terms, or if such date(s) is(are) not an Exchange Business Day, the following Exchange Business Day. Valuation Date will include, as the case may be, as specified in the relevant Final Terms and for purposes of the Technical Annex, any Observation Date and/or Determination Date.

Valuation Time shall have the meaning ascribed thereto for each Underlying in Conditions 5.7 to 5.14 and in Condition 1.2 or 1.3 for the CLN and the Hybrid Securities.

1.2 DEFINITIONS IN RESPECT OF CLN AND HYBRID SECURITIES (2003 ISDA DEFINITIONS VERSION)

For the purpose of the present Condition 1.2, the term CLN means, as the case may be, the CLN or, the Credit Linked Portion of the Hybrid Securities.

Accelerated or Matured means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Commencement Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

Accreted Amount means, with respect to an Accreting Obligation, an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in the foregoing (A)(2)), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Commencement Date or applicable Valuation Date, as the case may be. If "Include Accrued Interest" is specified as being applicable in the Final Terms, then such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent). If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such obligation's yield to maturity is not specified in, nor implied from, the terms of such obligation, then, for purposes of the foregoing (A)(2) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such Obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Commencement Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such Obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

Accreting Obligation means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable. With respect to any Accreting Obligation, outstanding principal balance means the Accreted Amount thereof.

Affiliate means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly the person or any entity under direct or indirect common control with the person. As used herein "control" means the ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "controlled by" and "controls" shall be construed accordingly.

Aggregate Loss Amount means at any time:

- (i) For a Basket CLN that is not a Tranche CLN, the aggregate of the Loss Amount in respect of all Reference Entities in respect of which a Credit Event Determination Date has occurred or
- (ii) For a Tranche CLN, the lowest of :
 - (a) The Tranche Notional Amount; and

- (b) The highest of (1) zero and (2) the difference between (x) the aggregate of the Loss Amount for all Reference Entities in respect of which a Credit Event Determination Date has occurred and (y) the Tranche Subordination Amount

Alternative Settlement End Date has the meaning set out in Condition 6.7.

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

Attachement Point means in respect of Tranche CLN, the number (expressed as a percentage of the Reference Portfolio Notional Amount) specified in the relevant Final Terms.

Auction means the auction procedure governed by the Credit Derivatives Auction Settlement Terms (notwithstanding that the CLNs are not an Auction Covered Transaction (as defined in the Rules) for the purpose of those terms).

Auction Cancellation Date has the meaning set out in the relevant Credit Derivatives Auction Settlement Terms.

Auction Final Price Determination Date has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

Auction Final Price means the price, if any, determined to be the Auction Final Price pursuant to Section 12 of the Credit Derivatives Auction Settlement Terms (expressed as a percentage), in increments equal to the Relevant Pricing Increment (as defined in the Credit Derivatives Auction Settlement Terms) of the outstanding principal balance, rather than the face amount, of Deliverable Obligations (which expression has the meaning contemplated by the Credit Derivatives Auction Settlement Terms).

Auction Settlement Amount means (i) with respect to a CLN, an amount equal to the outstanding Nominal Value of the CLNs multiplied by the Auction Final Price and (ii) with respect to an Hybrid Security, an amount equal to the outstanding Nominal Value of the Credit-Linked Portion of the Hybrid Security multiplied by the Auction Final Price.

Auction Settlement Date means :

- (i) if American Settlement is specified in the applicable Final Terms, 30 Business Days (or such shorter period as determined by the Calculation Agent) after the later of (i) the date on which the Auction Final Price is determined and (ii) (if applicable) the date on which the settlement of any Hedging Transaction occurs; and
- (ii) if European Settlement is specified in the applicable Final Terms, the later of (i) the Scheduled Maturity Date and (ii) 30 Business Days (or such shorter period as determined by the Calculation Agent) after the later of (1) the date on which the Auction Final Price is determined or (2) (if applicable) the date on which the settlement of any Hedging Transaction occurs.

Average Blended Highest means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

Average Blended Market means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

Average Highest means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the highest quotations obtained by the Calculation Agent (in accordance with the definition of Final Price) with respect to each Valuation Date.

Average Market means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date.

Bankruptcy means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive) of this definition of Bankruptcy.

Best Available Information means (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of these provisions, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to determine Successors. Information which is made available more than fourteen (14) calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

Blended Highest means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the highest quotations obtained by the Calculation Agent (in accordance with the definition of Final Price) for each Reference Obligation with respect to the Valuation Date.

Blended Market means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

Bond means any obligation that is of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

Bond or Loan means any obligation that is either a Bond or a Loan.

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

Cash Settlement Amount means an amount equal to the aggregate outstanding principal balance (excluding accrued but unpaid interest) of each Valuation Obligation (or if Condition 6.6 applies, the outstanding principal balance (excluding accrued but unpaid interest) of each Valuation Obligation constituting the Undelivered Portion)) multiplied by the Final Price, subject to a minimum of zero, converted (as applicable) into the currency of the CLNs at the relevant spot rate of exchange determined by the Calculation Agent in good faith.

Cash Settlement Date means :

- (i) if American Settlement is specified in the applicable Final Terms, 30 Business Days (or such shorter period as determined by the Calculation Agent) after the later of (i) the date on which the Final Price of the relevant Valuation Obligation(s) is determined and (ii) (if applicable) the date on which the settlement of any Hedging Transaction occurs; and
- (ii) if European Settlement is specified in the applicable Final Terms, the later of (i) the Scheduled Maturity Date and (ii) thirty (30) Business Days (or such shorter period as determined by the Calculation Agent) after the later of (1) the date on which the Final Price of the relevant Valuation Obligation(s) is determined and (2) (if applicable) the date on which the settlement of any Hedging Transaction occurs.

CDS Market Disruption Event means, at any time that credit default swap(s) are required to be notionally entered into or terminated in connection with the issuance of the Securities, the Calculation Agent in good faith, determines that there are, at such time, prevailing market conditions (including the liquidity of the relevant market) such that credit default swap(s) cannot be not be transacted on commercially reasonable terms (whether as to price or otherwise) or it would not otherwise be economically viable or it would be impossible or undesirable for any other reason outside the control of the Issuer to notionally enter into or terminate credit default swap(s).

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that an Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of an obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation

shall not be considered to be a requirement for consent for purposes of the definition of Conditionnaly Transferable Obligation

Conditions to Settlement in relation to the occurrence of a Credit Event in respect of the relevant Reference Entity will be satisfied when either (a) ISDA publicly announces on or prior to the last day of the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has occurred with respect to the Reference Entity on or after the Credit Event Backstop Date, provided that such resolution has not been cancelled prior to the Auction Settlement Date and that the Credit Event Determination Date Conditions have been satisfied or (b) the Issuer has delivered to the Calculation Agent and the Holders on or prior to the last day of the Notice Delivery Period, a Credit Event Notice, a Notice of Publicly Available Information and, as applicable, a Notice of Physical Settlement.

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category.

Convertible Obligation means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

Credit Derivatives Auction Settlement Terms means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor wensite thereto) from time to time and may be amended in accordance with the Rules.

Credit Derivatives Determinations Committees mean the committees established by ISDA for the purposes of reaching certain DC Resolutions, as more fully described Rules.

Credit Event Backstop Date means (a) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for purposes of the relevant CLN, as determined by DC Resolution, the date that is 60 calendar days prior to the earlier of (i) the first date on which the Conditions to Settlement are satisfied and (ii) in circumstances where (A) the conditions for convening a Credit Derivatives Determinations Committee to resolve whether and when a Credit Event has occurred are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has resolved not to determine such matters and (C) the Conditions to Settlement are satisfied not more than fourteen calendar days after the day on which the ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Credit Event Determination Date Conditions means, if Auction Settlement is specified in the Final Terms, the satisfaction of the following conditions:

- (i) the Trade Date occurs on or prior to the Auction Final Price Determination Date, No Auction Announcement Date or Auction Cancellation Date, as applicable.
- (ii) the Credit Event Resolution Request Date occurs on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date); and

- (iii) ISDA publicly announces (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof and that such event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date

Credit Event Determination Date means in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the date on which the Conditions to Settlement are, as determined by the Calculation Agent in good faith, satisfied

Credit Event Notice means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Holder's confirming the occurrence of a Credit Event and describing in reasonable detail the facts relevant to the determination that such Credit Event has occurred. The Credit Event that is subject of a Credit Event Notice need not be continuing on the Credit Event that is the subject of Credit Event Determination Date.

If Publicly Available Information is specified as applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be Publicly Available Information.

Credit Event Portion means, in the case of any Credit Event, a Nominal Value of CLNs equal to:

- (i) in the case of Basket CLNs, (i) the Reference Price of the Reference Entity in respect of which the Credit Event Notice has been given expressed as a proportion of the aggregate of the Reference Prices of all the Reference Entities specified in the Final Terms multiplied by (ii) the initial aggregate Nominal Value of the CLNs; or
- (ii) in all other cases, unless otherwise specified in the Final Terms, 100 per cent of the then aggregate outstanding Nominal Value of the CLNs.

Credit Event Resolution Request Date means with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve (as defined into the Rules):

- (i) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the relevant DC Resolution (as defined into the Rules).

Credit Event(s) means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Default, Repudiation/Moratorium, Obligation Acceleration or Restructuring, as specified in the Final Terms

Credit-Linked Portion means the portion of the Nominal Value of the Hybrid Securities linked to one or more Reference Entities or Indices which do not form part of the Underlyings.

DC Resolution has the meaning given to that term in the Rules.

Default Requirement means USD 10,000,000 or the amount specified in the related Final Terms and in any case its equivalent in any currency or currencies.

Deliver means to deliver, novate, transfer (including in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations to the relevant Holder or Holders free and clear of any and all liens, charges, claims and encumbrances (including, without limitation, any counterclaim, defence or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Qualifying Guarantees, Deliver means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **Delivery** and **Delivered** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

Deliverable Obligation Characteristics means, as at the Delivery Commencement Date, any one or more of the Deliverable Obligation Characteristics which are set out in the Final Terms, from amongst: Listed, Not Domestic Issuance, Not Subordinated, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Specified Currency, Not Contingent, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

If any of the Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

Deliverable Obligations means

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of Delivery Commencement Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Commencement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (ii) subject to the second sentence in the definition of “Not Contingent”, each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Commencement Date, of immediate assertion or demand by or on behalf of the holder or holders for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (iv) any other obligation of a Reference Entity specified as such in the applicable Final Terms, provided that:

- (a) where the Issuer is to redeem the CLN by means of Physical Settlement, if “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” are specified as applicable in the applicable Final Terms and Restructuring is only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Date; and
- (b) where the Issuer is to redeem the CLN by means of Physical Settlement, if “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” are specified as applicable in the applicable Final Terms and Restructuring is only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Restructuring Date.

The Deliverable Obligation to be Delivered by the Issuer to the Holders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding aggregate Notional Amount of the CLN subject to Condition 6.

If the term “Deliverable Obligation” is to apply to CLN to be redeemed by the Issuer by means of Cash Settlement, references to “Delivery Commencement Date” shall be deemed to be references to “Valuation Date”

Delivery Commencement Date has the meaning set out in Condition 6.5.

Delivery Expenses has the meaning set out in Condition 11.

Detachment Point means in respect of Tranche CLN the number (expressed as a percentage of the Reference Portfolio Notional Amount) specified in the relevant Final Terms.

Direct Loan Participation means a Loan in respect of which, pursuant to a participation agreement, the bank is capable of creating, or procuring the creation of, a contractual right in favour of the Holder(s) that provides the Holder(s) with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the Holder(s) and the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate).

Domestic Currency means the currency specified as such in the Final Terms and any successor currency. If no currency is specified the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor to any such currency).

Domestic Law means the law (a) of the relevant Reference Entity, if such Reference Entity is a Sovereign or (b) the jurisdiction of organisation of the relevant Reference Entity if such Reference Entity is not a Sovereign.

Downstream Affiliate means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty (50) per cent owned, directly or indirectly, by the Reference Entity.

Due and Payable Amount means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Commencement Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

Eligible Transferee means each of the following:

- (i) any bank or other financial institution, insurance or reinsurance company, mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii)(a) below) or registered or licensed

broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000 (or equivalent amounts in other currencies); or

- (ii) any affiliate of an entity specified in clause (i) above;
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (a) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations (CDO), commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100,000,000; or
 - (b) that has total assets of at least USD 500,000,000; or
 - (c) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in clauses (i), (ii), (iii)(a) or (b); and
- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

Equity Securities means:

- (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

Exchangeable Obligation means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

With respect to any Exchangeable Obligation that is not an Accreting Obligation, outstanding principal balance shall exclude any amount that may be payable under the terms of such obligation in respect of the value of Equity Securities for which such obligation is exchangeable.

Excluded Deliverable Obligation means any obligations of the Reference Entity specified as such or of a type described in the Final Terms.

Excluded Obligation means any obligation of a Reference Entity specified as such or of a type described in the Final Terms.

Exercise Amount has the meaning given to it in Condition 7.

Extension Date means the later of:

- (a) the last day of the Grace Period Extension if (i) Grace Period Extension is specified as applicable, (ii) Failure to Pay is an applicable Credit Event in relation to a Reference Entity and (iii) the Calculation Agent delivers an Extension Notice under paragraph (b) of the definition thereof; and

- (b) the Repudiation/Moratorium Evaluation Date if (i) Repudiation/Moratorium is an applicable Credit Event in relation to a Reference Entity and (ii) the Calculation Agent delivers an Extension Notice under paragraph (b) of the definition thereof.

Extension Notice means a notice from the Calculation Agent to the Issuer and the Holders giving notice of the following in relation to a Reference Entity:

- (a) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Maturity Date; or
- (b) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Maturity Date.

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

Fallback Settlement Method means Cash Settlement or Physical Settlement as specified in the Final Terms.

Fallback to Cash Settlement Valuation Date has the meaning given to it in Condition 6.6.

Final Delivery Date has the meaning set out in Condition 6.6.

Final Price means, with respect to a Valuation Obligation, either (a) a quotation (expressed as a percentage) of such Valuation Obligation obtained from a number of Quotation Dealers (selected in good faith by the Calculation Agent) in the manner provided below or (b) the relevant price obtained by the Issuer or the Calculation Agent on its behalf from counterparty(ies) to the relevant Hedging Transaction(s) in the manner agreed between the Issuer, the Calculation Agent on its behalf and the relevant counterparty(ies). The Calculation Agent will determine, based on the then current market practice, whether such quotations or prices will include or exclude accrued but unpaid interest and all quotations or prices will be obtained in accordance with this determination. With regard to quotations obtained in accordance with (a) above, the Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at the Valuation Time.

- (i) If the Calculation Agent obtains more than three (3) Full Quotations on the Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, than one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three (3) Full Quotations, but obtains exactly three (3) Full Quotations on the Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotation have the same highest value or lowest value, then one of such highest or lowest Full Quotation will be disregarded).
- (iii) If the Calculation Agent is unable to obtain three (3) Full Quotations, but obtains exactly two (2) Full Quotations on the Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two (2) Full Quotations on the same Business Day within three (3) Business Days following the Valuation Date, on the next following Business Day (and, if necessary on each Business Day thereafter until the fifteenth (15) Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain at least three (3) Full Quotations from Quotation Dealers and, if at least two (2) Full Quotations are not available, the Final Price shall be a Weighted Average Quotation.
- (v) If the Calculation Agent is unable to obtain at least two (2) Full Quotations or a Weighted Average Quotation within such period, the Final Price will be an amount as determined by the Calculation Agent in good faith (which for the avoidance of doubt, may be zero).

Final Settlement Amount has the meaning given to it in the Final Terms.

Full Quotation means, each firm bid quotation obtained from a Quotation Dealer, for an amount equal to the Quotation Amount

Fully Transferable Obligation means any Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an obligation shall not be considered to be a requirement for consent for purposes of the foregoing.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Commencement Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or any Affiliate.

Governmental Authority means any *de facto or de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

Grace Period means subject to (i) and (ii) below the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred:

- (i) if a Grace Period Extension is specified as applicable in the relevant Final terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date determined by reference to the Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date determined by reference to the Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar (30) days or such other period specified in the related Final Terms; and
- (ii) if, as of the date on which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation, provided that unless Grace Period Extension is specified as applicable in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

Grace Period Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

Grace Period Extension means the number of days in the Grace Period after the Potential Failure to Pay subject to a maximum of thirty (30) calendar days.

Greenwich Mean Time (GMT) means the mean solar time at the Greenwich meridian, in Greenwich, London.

Group of Seven (G7) means an informal group composed of the United States, Japan, Germany, the United Kingdom, France, Italy, Canada (listed by nominal GDP). The G-7 represents the world's leading industrial democracies. Their finance ministers/secretaries meet annually to discuss economic cooperation and other matters. The G-7 does not have a permanent secretariat, but rather gives an informal forum for leaders to meet and discuss ideas.

Hedging Transaction means any hedging agreement entered into between the Issuer or any other entity of the Exane group and the Hedging Party with the purpose of hedging (directly or indirectly) the Issuer's exposure in respect of an issuance of CLNs.

Highest means, with respect to only one Reference Obligation and only one Valuation Date, the highest quotation obtained by the Calculation Agent (or in accordance with the definition of Final Price) with respect to any Valuation Date.

Hybrid Capitalised Fair Market Value means the Hybrid Fair Market Value together with any interest accrued thereon during the period commencing on (and including) the day on which the Calculation Agent determines the Hybrid Fair Market Value and ending on (and excluding) five (5) Business Days (or such other number of Business Days as specified in the Final Terms) before the date on which the relevant amount is payable in accordance with the relevant Condition, as calculated by the Calculation Agent in good faith, by reference to the relevant EONIA rate or such other overnight rate for deposits in Euro available to the Calculation Agent in the inter-bank market during such period.

Hybrid Fair Market Value means with respect to the Credit Linked Portion and/or the Underlying Linked Portion of the Hybrid Securities, the fair market value thereof determined by the Calculation Agent in good faith as soon as practicable after the occurrence of one of the events specified in the relevant Conditions, with reference to the credit of the Reference Entities in respect of the Credit Linked Portion of the Hybrid Securities and to the market value of the Underlyings in respect of the Underlying Linked Portion of the Hybrid Securities. Unless specified otherwise, the calculation of Hybrid Fair Market Value shall take into consideration all future payments of interest and other non-principal amounts in respect of the Underlying Linked Portion of the Hybrid Securities as of the relevant date of calculation and for the period specified in the relevant Condition

Index has the meaning set out in the Final Terms.

Instrument Payments means

- (i) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Interest Balance on or prior to the ultimate distribution of the Interest Balance and (y) the ultimate distribution of the Interest Balance on or prior to a specified date and
- (ii) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early Settlement premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

Interest Balance means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, interest balance or similar measure of unreimbursed principal investment.

Interest Commencement Date means the date set out in the Final Terms.

ISDA means the International Swaps and Derivatives Association, Inc.

Listed means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

Loan means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement, however described and shall not include any other type of Borrowed Money

Loss Amount means In respect of a Basket CLN and Tranche CLN if nth to Default is specified as not applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date

has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Price, subject to a minimum of zero.

Market means, with respect to only one Reference Obligation and only one Valuation Date, the Market Value determined by the Calculation Agent with respect to the Valuation Date.

Market Disruption Event has the meaning given to it in Condition 6.8.

Market Value means, with respect to a Reference Obligation on a Valuation Date, the value obtained by the Calculation Agent in accordance with the definition of Final Price.

Maturity Date shall be the Scheduled Maturity Date, subject (if specified as applicable in the Final Terms) to extension in accordance with Condition 6.1 A(ii) (*Grace Period Extension*) and Condition 6.1 A(iii) (*Repudiation/Moratorium Extension*) and provided that if a Credit Event Determination Date occurs, the Maturity Date shall be the relevant Settlement Date.

Maximum Maturity means an Obligation that has a remaining maturity from the Delivery Commencement Date of not greater than the period specified in the Final Terms.

Minimum Quotation Amount means the amount specified as such in the Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

Modified Eligible Transferee means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

Modified Restructuring Maturity Limitation Date means with respect to a Deliverable Obligation the date that is the later of (a) the Maturity Date and (b) sixty (60) months following the Restructuring Date in the case of a Restructured Bond or Loan, or thirty (30) months following the Restructuring Date in the case of all other obligations.

Multiple Holder Obligation means an Obligation that (a) at the time of the event which constitutes a Restructuring, assuming such Restructuring was determined by reference to such Obligation, is held by more than three Holders that are not Affiliates of each other and (b) with respect to which a percentage of Holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring, assuming such Restructuring was determined by reference to such Obligation; provided that any Obligation that is a Bond shall be deemed to satisfy the foregoing requirement (b) above; provided that in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, “Multiple Holder Obligation shall be deemed as Not applicable with respect to any Reference Obligation (and any Loan).

No Auction Announcement Date means, with respect to a Reference Entity and a Credit Event, the date on which ISDA first publicly announces that (a) no Credit Derivatives Auction Settlement Terms will be published with respect to such Reference Entity or (b) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity following a prior public announcement by ISDA to the contrary. For the avoidance of doubt, a No Auction Announcement Date will not occur solely by reason of the CLNs not constituting an Auction Covered Transaction (as defined in the Rules) for the purposes of the relevant Credit Derivatives Auction Settlement Terms.

Not Bearer means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system Clearstream or any other internationally recognised clearing system. If the Deliverable Obligation Characteristic Not Bearer is specified as applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristics had been specified as a

Deliverable Obligation Characteristics only with respect to Bonds (and shall only be relevant if Bonds are covered by the specified Deliverable Obligation Characteristics).

Not Contingent means any obligation having as of the Delivery Commencement Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). If applicable, a Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall be deemed to be Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (a) to convert or exchange such obligation or (b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or Settlement price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Commencement Date.

Not Domestic Currency means any obligation that is payable in any currency other than the Domestic Currency.

Not Domestic Issuance means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity

Not Domestic Law means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign or (B) the jurisdiction of organisation of the relevant Reference Entity if such Reference Entity is not a Sovereign. The Laws of England and the laws of the State of New York shall not be a Domestic Law.

Not Sovereign Lender means any obligation that is not primarily owed to a Sovereign or Supranational Organization, including, without limitation, obligations generally referred to as "Paris Club debt".

Not Subordinated means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the related Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if a Substitution Event (as defined under Reference Obligation) has occurred with respect to all of the Reference Obligations (each, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, Not Subordinated shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date.

Notice Delivery Period means the period from and including the Issue Date to and including the Maturity Date.

Notice of Valuation Obligations has the meaning given to it in Condition 6.4.

Obligation means each Reference Obligation (if any), any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) described in the Obligation Category having each of the Obligation Characteristics specified in the Final Terms.

Obligation Acceleration means one or more Obligations, in an aggregate amount of not less than the Default Requirement, have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Obligation Category means one of the following categories: Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, Bond or Loan, as indicated in the relevant Final Terms.

Obligation Characteristics means, any one or more of Not Subordinated, Not Sovereign Lender, Specified currency, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the related Final terms.

Obligation Currency means the currency or currencies in which an Obligation is denominated.

Obligation Default means one or more Obligations, in an aggregate amount of not less than the Default Requirement, have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Payment Requirement means USD 1,000,000 or the amount specified in the related Final Terms and in any case its equivalent in any currency or currencies, unless otherwise specified in the Final Terms.

Permitted Currency means (a) the legal tender of any country of the Group of Seven (G7) or any country that becomes a member of the Group of Seven (G7) if such group expands its membership or (b) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

Physical Settlement Amount has the meaning set out in Condition 6.5.

Physical Settlement Date means the intended date for delivery of the relevant Deliverable Obligations to Holders in accordance with Condition 6.5

Portfolio means such Deliverable Obligations or Valuation Obligations, as the case may be, of the relevant Reference Entity as are selected in good faith by the Calculation Agent with an outstanding principal balance as at the Delivery Commencement Date or the specified Valuation Obligations Notice Date, as the case may be in an aggregate amount (in the Specified Currency as set out in the Final Terms or its equivalent in other currencies) not less than the aggregate principal amount of the relevant tranche of CLNs then outstanding. For the purposes of the foregoing, if applicable, the "outstanding principal balance" (a) with respect to any Accreting Obligation, means the Accreted Amount thereof, (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

Potential Failure to Pay means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligation(s) in accordance with the terms of such Obligation(s) at the time of such failure.

Potential Repudiation/Moratorium means an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or

more Obligation' in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement.

Public Source means each of the following sources: Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, Les Echos, La Tribune and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

Publicly Available Information means information that reasonably confirms any of the facts relevant to the determination that a Credit Event or Potential Repudiation/Moratorium is applicable described in a Credit Event Notice or Repudiation Moratorium Extension Notice has occurred and which:

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer/ or any of its Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
- (ii) is information received from or published by (1) a Reference Entity or a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (2) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
- (iii) is information contained in any petition or filing instituting a proceeding against or by a Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or similar law affecting creditors' rights, or a petition presented for its winding-up or liquidation and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative regulatory or judicial body; or
- (v) is information contained in a public announcement by ISDA ;

Publicly Available Information may be assumed to have been disclosed without violating any law, agreement or understanding regarding its confidentiality and that the Issuer or its Affiliates delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties and need not state that the relevant Credit Event (i) has met the Payment Requirement or, as the case may be, the Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (a) of the definition of Bankruptcy.

Qualifying Affiliate Guarantee means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

Qualifying Guarantee means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations

of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation;

- (i) For the purposes of applying the Obligation Category and the Deliverable Obligation Category the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (ii) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics:

- (a) both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics from the following list, if any specified in the relevant Final Terms:

Not Subordinated

Specified Currency

Not Sovereign Lender

Not Domestic Currency

Not Domestic Law

For these purposes the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America or the euro shall not be a Domestic Currency and the laws of England and the laws of the State of New York shall not be a Domestic Law.

- (b) Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics from the following list, if any specified in the relevant Final Terms:

Listed

Not Contingent

Not Domestic Issuance

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity

Accelerated or Matured and

Not Bearer

- (iii) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation references to the Reference Entity shall be deemed to be references to the Underlying Obligor.

- (iv) The terms "outstanding principal balance and "Due and Payable Amount" when used in connection with Qualifying Guarantees are to be interpreted to be the "outstanding principal balance" and "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

Qualifying Policy means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the **Insured Instrument**) for which another party (including a special purpose entity or trust) is the obligor (the **Insured Obligor**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the delivery of the Insured Instrument.

Quotation Amount means either (a) the amount specified as such in the relevant Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, (b) if no amount is so specified, the relevant aggregate outstanding Nominal Value of the CLNs (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Quotation Dealer means at least five (5) dealers in obligations of the type of Obligation(s) for which quotations are to be obtained, including each Dealer specified in the Final Terms. If no Dealers are specified in the Final Terms, the Calculation Agent shall select the Dealers in good faith. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing.

Quotation Method means the applicable Quotation Method may be specified in the relevant Final Terms by reference to one of the following terms:

- (i) **Bid** means that only bid quotations shall be requested from Quotation Dealers
- (ii) **Offer** means that only offer quotations shall be requested from Quotation Dealers; or
- (iii) **Mid-market** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Dealer's quotation.

If a Quotation Method is not specified in the Final Terms, Bid shall apply.

Reference Entity shall be each entity as specified in the Final Terms and, (a) where any such entity is a Sovereign, any direct or indirect successor to such Reference Entity irrespective of whether such successor assumes any of the obligations of such Reference Entity and (b) where any such entity is not a Sovereign and a Succession Event occurs with respect to any Reference Entity and a Successor or Successors are determined, each Successor shall be a Reference Entity.

Reference Entity Notional Amount means, unless specified otherwise in the applicable Final Terms, for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount

Reference Entity Weighting means the proportion specified as such in the Final Terms, which will be adjusted in accordance with the provisions of (i) the definition of Successor upon the occurrence of a Succession Event

Reference Obligation Only means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

Reference Obligations means the obligations, if any, specified in the Final Terms and, if there are obligations specified therein, any Substitute Reference Obligation(s). If, in the opinion of the Calculation Agent (i) the Reference Obligation is redeemed in whole or (ii) (a) the aggregate amounts due under any Reference Obligation have been materially reduced by settlement or otherwise (other than due to any scheduled settlement, amortization or prepayments), (b) the Reference Obligation is an obligation guaranteed by a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the guarantee of that Reference Entity is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (c) for any other reason, other than due to the existence or occurrence of a Credit Event (each a **Substitution Event**), any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation (the **Substitute Reference Obligation**). For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN or other similar identifier will not, in and of itself, convert such Obligation into a different Obligation.

Reference Portfolio means, in respect of the First/nth-to-Default CLN, Basket CLN Index-Linked CLN and Tranching CLN, a portfolio comprising all the Reference Entities.

Reference Portfolio Notional Amount means (i) in respect of Tranche CLN, an amount equal to the aggregate Notional Amount divided by the difference between the Detachment Point and the Attachment Point and (ii) in respect of a Basket CLN which are not Tranche CLN, an amount equal to the aggregate Notional Amount.

Reference Price means the percentage specified as such in any Final Terms or, if a percentage is not so specified, one hundred (100) per cent.

Relevant Obligations mean the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

Representative Amount means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent in good faith.

Repudiation/Moratorium means the occurrence of both of the following events: (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Repudiation/Moratorium Evaluation Date means if the Obligations to which a Potential Repudiation/Moratorium relate include Bonds, the date that is the later of (a) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (b) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or if later the expiry of any applicable Grace Period in respect of such payment date). And if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium.

Resolve has the meaning given to that term in the Rules and **Resolved** and **Resolves** shall be interpreted accordingly.

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

Restructuring means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the CLNs and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled settlement dates;
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium
- (iv) a change in the ranking in priority of payment of any Obligation (or, if applicable in the Final Terms, Multiple Holder Obligation) causing the Subordination of such Obligation (or, if applicable in any Final Terms, Multiple Holder Obligation) to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (a) (the payment in Euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union
- (b) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (c) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of this definition of "Restructuring" only, the term Obligation (or, if applicable in any Final Terms, Multiple Holder Obligation) shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of any Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the relevant Final Terms, any Qualifying Guarantee, as the case may be. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the first paragraph of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

Restructuring Date means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Restructuring Maturity Limitation Date means with respect to a Deliverable Obligation the date that is the earlier of (a) thirty (30) months following the Restructuring Date and (b) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than thirty (30) months following the Maturity Date and if it is, it shall be deemed to be the Maturity Date or thirty (30) months following the Maturity Date, as the case may be.

Rules means the Credit Derivatives Determination Committees Rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

Scheduled Maturity Date has the meaning given to it in the Final Terms.

Settlement Amount means Auction Settlement Amount, Cash Settlement Amount or Physical Settlement Amount, as applicable.

Settlement Date means the Auction Settlement Date, the Cash Settlement Date or the Physical Settlement Date, as applicable.

Settlement Disruption Event means an event has occurred or a condition exists as a result of which the relevant Deliverable Obligation(s) cannot be cleared or transferred through the relevant clearance system or by the relevant settlement procedure for such Deliverable Obligation(s).

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

Sovereign Agency means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

Sovereign Restructured Deliverable Obligation means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category and having the Deliverable Obligation Characteristics as specified in the Final Terms in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

Specified Currency means (a) if Specified Currency is specified in the relevant Final Terms, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies or (b) any currency or currencies specified in the relevant Final Terms. Notwithstanding the provisions of this definition, the Issuer may specify a single Specified Currency in any Final Terms.

Sponsor means, in respect of an Index, the corporation or other entity specified in the Final Terms that is responsible for setting and reviewing the rules and procedures, the composition and the methods of calculation and adjustments, if any, related to the Index, as determined by the Calculation Agent.

Subordination means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganization or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

Substitution means the cessation by the Calculation Agent of the indexation of the CLNs to an Index and its replacement by a substitute Index which has similar features to the substituted Index, including geographic area,

sector of activity, currency, frequency and methodology or any other feature which is relevant for the Calculation Agent.

Succession Event means (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by way of operation of law or pursuant to any agreement or (b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (as defined in the March 2009 Supplement).

Succession Event Resolution Request Date means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve;

- (a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

Successor means :

- (i) in relation to a Reference Entity that is not a Sovereign, either
 - (a) the entity or entities, if any, determined by the Calculation Agent, in good faith, as set forth below
 - (1). if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and in the case of Basket CLN or Tranche CLN, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event;
 - (2). if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent (25%) of the Relevant Obligations will be the sole Successor and in the case of Basket CLN and Tranche CLN, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event;
 - (3). if more than one entity each directly or indirectly succeeds to more than twenty-five per cent (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent (25%) of the Relevant Obligations will each be a Successor and the terms of the CLN will be amended in

accordance with the provisions set out in the definition of Multiple Successor in Condition above. In the case a Basket CLN or a Tranche CLN, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event subject to adjustment of the Reference Entity Weighting divided by the number of Successors;

- (4). if one or more entities each directly or indirectly succeeds to more than twenty-five per cent (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the CLN will be amended in accordance with the provisions set out in the definition of Multiple Successor. In the case a Basket CLN or a Tranche CLN, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event subject to adjustment of the Reference Entity Weighting divided by the number of Successors;
 - (5). if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent (25%) of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the terms of the CLN will not be changed in any way as a result of the Succession Event; and
 - (6). if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor and in the case of a Basket CLN and a Tranche CLN, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event; or
- (b) any Successor to a Reference Entity in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules; and
- (ii) in relation to a Sovereign Reference Entity, means any direct or indirect successor to that Reference Entity by way of Succession Event irrespective of whether such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will, in relation to clause (i)(a) of this definition of Successor, be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under sub-section (6) above, as applicable; provided that the Calculation Agent will not make such determination if, at such time, either (1) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in the matters described in clause (i)(a) of this definition of Successor and clauses (a) and (b)(i) of Succession Event Resolution Request Date are satisfied in accordance with the Rules (as defined in the Auction Settlement Terms) (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (2) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under sub-section (6) above, as applicable, the Calculation Agent

shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information.

For the purposes of this section, succeed means with respect to a Reference Entity and its Relevant Obligations (or as applicable obligations), that a party other than such Reference Entity (x) assumes or becomes liable for such Relevant Obligations (or as applicable obligations) whether by operation of law or pursuant to any agreement or (y) issues Bonds that are exchanged for such Relevant Obligations (or as applicable obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to the Relevant Obligations (or as applicable obligations). The determinations required pursuant to this section shall be made in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of such Bonds for which Relevant Obligations have been exchanged.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen (14) calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under clause (ii) of this definition of Successor; provided that the Calculation Agent will not make such determination if, at such time, either (x) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in clause (ii) of this definition of Successor and clauses (a) and (b)(i) of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (y) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred.

Where, pursuant to sub-section (3) or (4) of clause (i)(a) of this definition of Successor, more than one Successor has been identified, the CLNs will be amended without the consent of Holders to reflect the following terms:

- (iii) each Successor will be a Reference Entity and more than one Credit Event may occur during the term of the CLNs but, subject to the provisions relating to multiple Credit Event Notices, once only in relation to each Successor; and
- (iv) all other terms and conditions of the original CLNs will remain unaffected except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original CLNs in the amended CLNs.

Supranational Organization means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

Suspension End Date has the meaning set out in Condition 6.2 D.

Suspension Terms has the meaning given to it in Condition 6.2 D.

Trade Date means the date set out in the Final Terms.

Tranche Notional Amount means in respect of Tranche CLN, the aggregate Notional Amount of the CLN on the Issue Date or such other amount specified as such in the Final Terms.

Tranche Subordination Amount means, with respect to the Tranche CLN, the Reference Portfolio Notional Amount multiplied by the Attachment Point.

Transaction Auction Settlement Terms means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity.

Transaction Type means in respect of a Reference Entity, the transaction type specified in the Final Terms

Transferable means an obligation that is transferable to institutional investors without any contractual statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final terms, if the Deliverable Obligation Characteristic Transferable is specified as Applicable in the Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Deliverable Obligation Category).

Types of CLN: the Final Terms shall specify whether the CLN are:

- (i) Single Name CLN (Single Name CLN) where the Issuer buys Holder credit protection by reference to one single Reference Entity. If the Conditions to Settlement are satisfied in respect of the Reference Entity, as specified in the Final Terms, all of the CLN will be settled.
- (ii) First/nth to Default CLN (First/nth to Default CLN) where the Issuer buys Holder credit protection by reference to at least two Reference Entities. If the Conditions to Settlement are satisfied in respect of the First/nth Reference Entity to default, as specified in the Final Terms, all of the CLN will be settled.
- (iii) Basket CLN (Basket CLN) where the Issuer buys Holder credit protection by reference to at least two Reference Entities. If the Conditions to Settlement are satisfied in respect of one Reference Entity, as specified in the Final Terms, the CLN will be settled in a proportional amount equal to the fraction the Reference Entity represents of the basket of Reference Entities.
- (iv) Index CLN (Index CLN) where the Issuer buys Holder credit protection by reference to Reference Entities comprised in an Index or Indices linked to Reference Entities, as specified in the Final Terms.
- (v) Principal Protected CLN (Principal Protected CLN) where the Issuer buys Holder credit protection by reference to one or more Reference Entities, (a) if at least one Credit Event occurs, payments of interest due on the CLN cease in accordance with these Conditions and any other payments due in respect of the CLN must be made in accordance with the Conditions and (b) if no Credit Event occurs, payments of interest due on the CLN shall continue until the Maturity Date in accordance with the Conditions.
- (vi) CDS Spread CLN (CDS Spread CLN) where amounts in respect of principal and interest payable on the CLN to Holders are calculated by reference to the value of a CDS spread (mono underlying, basket or index) linked to a particular Reference Entity. If one or more Credit Event(s) occurs, the calculation method used to determine such payments shall be set forth in the Conditions.
- (vii) Tranching CLN means a Basket CLN for which the Tranching CLN is the Type of CLN applicable in the Final term.

Undeliverable Loan Obligation(s) has the meaning set out in Condition 6.7.

Undelivered Portion has the meaning set out in Condition 6.6.

Underlying Linked Portion means the portion of the Nominal Value of the Hybrid Securities linked to one or more Underlying(s).

Underlying Obligation has the meaning given to it in the definition of "Qualifying Guarantee".

Underlying Obligor has the meaning given to it in the definition of "Qualifying Guarantee".

Underlying Settlement Amount means, for each Hybrid Security, the pro rata share of the outstanding Nominal Value of the Equity Underlying –Linked Portion of that Hybrid Security, as calculated by the Calculation Agent in good faith.

Unwind Costs means in respect of each CLN, an amount subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding and break funding charges), tax and duties incurred directly or indirectly by the Issuer or any of its Affiliates in relation to the occurrence of a Credit Event Determination Date and related to partial or total termination, settlement or re-establishment of any Hedging Transaction such amount to be apportioned pro rata amongst the outstanding CLN.

Valuation Date has the meaning given to it in the Final Terms.

If **Single Valuation Date** is specified in the Final Terms, "**Valuation Date**" shall be the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, five (5) Business Days.

If **Multiple Valuation Dates** is specified in the Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not so specified, five (5) Business Days); and
- (ii) each successive date that is the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Calculation Agent obtains a Final Price with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Final Terms (or, if the number of Valuation Dates is not so specified, five (5) Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the Final Terms, Single Valuation Date shall apply.

Valuation Method means the Valuation Method Highest, Market, Average Market, Average Highest, Blended Market, Blended Highest, Average Blended Market, Average Blended Highest, as specified in the Final Terms.

Valuation Obligations has the meaning set out in Condition 6.4.

Valuation Obligation Notice Date has the meaning set out in Condition 6.4.

Valuation Time means the time specified as such in the Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

Voting Shares shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Weighted Average Quotation means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal at least to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

Zero Coupon Security means a Security which will not bear interest (except in case of late payment).

1.3 DEFINITIONS IN RESPECT OF CLN AND HYBRID SECURITIES (2014 ISDA DEFINITIONS VERSION)

For the purpose of the present Condition 1.3, the term CLN means, as the case may be, the CLN or, the Credit Linked Portion of the Hybrid Securities.

Accelerated or Matured means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

Affiliate means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly the person or any entity under direct or indirect common control with the person. As used herein "control" means the ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "controlled by" and "controls" shall be construed accordingly.

Aggregate Loss Amount means at any time:

- (i) For a Basket CLN that is not a Tranche CLN, the aggregate of the Loss Amount in respect of all Reference Entities in respect of which a Credit Event Determination Date has occurred or
- (ii) For a Tranche CLN, the lowest of
 - (a) The Tranche Notional Amount; and
 - (b) The highest of (1) zero and (2) the difference between (x) the aggregate of the Loss Amount for all Reference Entities in respect of which a Credit Event Determination Date has occurred and (y) the Tranche Subordination Amount

Alternative Settlement End Date has the meaning set out in Condition 6.7.

Asset means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realized or capable of being realised in circumstances where the right and/or other asset no longer exists).

Asset Market Value means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

Asset Package means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

Asset Package Credit Event means:

- (i) if Financial Reference Entity Terms and Governmental Intervention is specified as "Applicable" in the applicable Final Terms, (i) a Governmental Intervention; or (ii) a Restructuring in respect of the Reference Obligation, if Restructuring is specified as "Applicable" in the applicable Final Terms and such Restructuring does not constitute a Governmental Intervention; and
- (ii) if the Reference Entity is a Sovereign and Restructuring is specified as "Applicable" in the applicable Final Terms, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice.

Asset Package Delivery will apply if an Asset Package Credit Event occurs unless (i) such Asset Package Credit Event occurs prior to the First Credit Event Occurrence Date or such later date determined by the Calculation Agent as appropriate by reference to any Hedge Position, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

Assignable Loan means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

Attachment Point means in respect of Tranche CLN, the number (expressed as a percentage) specified in the relevant Final Terms.

Auction means the auction procedure governed by the Credit Derivatives Auction Settlement Terms (notwithstanding that the CLNs are not an Auction Covered Transaction (as defined in the DC Rules) for the purpose of those terms).

Auction Cancellation Date has the meaning set out in the relevant Credit Derivatives Auction Settlement Terms.

Auction Final Price shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

Auction Final Price Determination Date has the meaning set forth in the Credit Derivatives Auction Settlement Terms.

Auction Settlement Amount means (i) with respect to a CLN, an amount equal to the outstanding Nominal Value of the CLNs multiplied by the Auction Final Price and (ii) with respect to an Hybrid Security, an amount equal to the outstanding Nominal Value of the Credit Linked Portion of the Hybrid Security multiplied by the Auction Final Price.

Auction Settlement Date shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, three (3) Business Days) immediately following the Auction Final Price Determination Date. The Auction Settlement Date shall be the Maturity Date.

Average Blended Highest means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

Average Blended Market means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

Average Highest means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the highest quotations obtained by the Calculation Agent (in accordance with the definition of Final Price) with respect to each Valuation Date.

Average Market means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date.

Bankruptcy means the Reference Entity

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Scheduled Exercise Date;
- (v) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive) of this definition of Bankruptcy.

Blended Highest means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the highest quotations obtained by the Calculation Agent (in accordance with the definition of Final Price) for each Reference Obligation with respect to the Valuation Date.

Blended Market means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

Bond means any obligation that is of a type included in the Borrowed Money Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

Bond or Loan means any obligation that is either a Bond or a Loan.

Borrowed Money means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

Cash Settlement Amount means, if the applicable Final Terms specify that "Cash Settlement" is applicable

- (a) an amount equal to the aggregate Outstanding Principal Balance (excluding accrued but unpaid interest) of each Valuation Obligation (or if Condition 6.6 applies, the Outstanding Principal Balance (excluding accrued but unpaid interest) of each Valuation Obligation constituting the Undelivered Portion)) multiplied by the Final Price, subject to a minimum of zero, converted (as applicable) into the currency of the CLNs at the relevant spot rate of exchange determined by the Calculation Agent in good faith or
- (b) In respect of a Single Name CLN or First/nth to Default, an amount subject to a minimum of zero, equal to the product of the Final Price multiplied by the Nominal Value of each CLN, minus the Unwind Costs in respect of a Credit Event Determination Date and in respect of a Basket CLN and a Tranche CLN, an amount subject to a minimum of zero, equal for each CLN to the aggregate Nominal Value minus the Aggregate Loss Amount minus the aggregate Unwind Costs in respect of a Credit Event Determination Date.

Cash Settlement Date means :

- (i) if American Settlement is specified in the applicable Final Terms, thirty (30) Business Days (or such shorter period as determined by the Calculation Agent) after the later of (i) the date on which the Final Price of the relevant Valuation Obligation(s) is determined and (ii) (if applicable) the date on which the settlement of any Hedging Transaction occurs; and
- (ii) if European Settlement is specified in the applicable Final Terms, the later of (i) the Scheduled Maturity Date and (ii) the number of Business Days specified in the Final Terms after the later of (1) the date on which the Final Price, (2) the determination of a Credit Event Determination Date (3) (if applicable) the date on which the settlement of any Hedging Transaction occurs.

CDS Market Disruption Event means, at any time that credit default swap(s) are required to be notionally entered into or terminated in connection with the issuance of the Securities, the Calculation Agent in good faith, determines that there are, at such time, prevailing market conditions (including the liquidity of the relevant market) such that credit default swap(s) cannot be not be transacted on commercially reasonable terms (whether as to price or otherwise) or it would not otherwise be economically viable or it would be impossible or undesirable for any other reason outside the control of the Issuer to notionally enter into or terminate credit default swap(s).

Conditionally Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds and in each case, as of the date(s) determined by the Calculation Agent by reference to any Hedge Positions, and in each case, as of the date(s) determined by the Calculation Agent by reference to any Hedging Transactions, provided, however, that an Deliverable obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of an obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionnaly Transferable Obligation.

Conditions to Settlement in relation to the occurrence of a Credit Event in respect of the relevant Reference Entity will be satisfied when either (a) ISDA publicly announces on or prior to the last day of the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has occurred with respect to the Reference Entity on or after the Credit Event Backstop Date, provided that such resolution has not been cancelled prior to the Auction Settlement Date and that the Credit Event Determination Date Conditions have been satisfied or (b) the Issuer has delivered to the Calculation Agent and the Holders on or prior to the last day of the Notice Delivery Period, a Credit Event Notice, a Notice of Publicly Available Information and, as applicable, a Notice of Physical Settlement

Conforming Reference Obligation means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (i) of the definition of Deliverable Obligation below.

Consent Required Loan means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category.

Credit Derivatives Auction Settlement Terms means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time.

Credit Derivatives Determinations Committee means each committee established by ISDA pursuant to the DC Rules for purposes of reaching certain DC Resolutions (including, but not limited to, the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with "Credit Derivative Transactions" as more fully described in the DC Rules.

Credit Event Backstop Date means:

- (i) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for the purposes of the relevant Securities, as determined by DC Resolution, the date that is sixty (60) calendar days prior to the Credit Event Resolution Request Date; or
- (ii) otherwise, the date that is sixty (60) calendar days prior to the earlier of:
 - (a) if the Conditions to Settlement are satisfied during the Notice Delivery Period, the day on which the Conditions to Settlement are satisfied; and
 - (b) if the Conditions to Settlement are satisfied during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Credit Event Determination Date Conditions means, if Auction Settlement is specified in the Final Terms, the satisfaction of the following conditions:

- (i) the Trade Date occurs on or prior to the Auction Final Price Determination Date, No Auction Announcement Date or Auction Cancellation Date, as applicable;
- (ii) the Credit Event Resolution Request Date occurs on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date); and
- (iii) ISDA publicly announces (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof and that such event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Credit Event Determination Date means in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the date on which the Conditions to Settlement are, as determined by the Calculation Agent in good faith, satisfied.

Credit Event Notice means an irrevocable notice that is effective during the Notice Delivery Period delivered by on or behalf of the Issuer to the Holder's confirming the occurrence of a Credit Event and describing in reasonable detail the facts relevant to the determination that such Credit Event has occurred. The Credit Event that is subject of a Credit Event Notice need not be continuing on the Credit Event that is the subject of Credit Event Determination Date.

If Publicly Available Information is specified as applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be Publicly Available Information.

Credit Event Portion means, in the case of any Credit Event, a Nominal Value of CLNs equal to:

- (i) in the case of Basket CLNs, (i) the Reference Price of the Reference Entity in respect of which the Credit Event Notice has been given expressed as a proportion of the aggregate of the Reference Prices of all the Reference Entities specified in the Final Terms multiplied by (ii) the initial aggregate Nominal Value of the CLNs; or
- (ii) in all other cases, unless otherwise specified in the Final Terms, 100 per cent of the then aggregate outstanding Nominal Value of the CLNs.

Credit Event Resolution Request Date means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

Credit Event(s) means, with respect to a CLN or a Reference Entity as determined by the Calculation Agent, the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Default, Repudiation/Moratorium, Obligation Acceleration, Restructuring or Governmental Intervention as specified in the applicable Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Credit-Linked Portion means the portion of the Nominal Value of the Hybrid Securities linked to one or more Reference Entities which do not form part of the Underlyings.

DC Credit Event Announcement means, with respect to the Reference Entity, a public announcement by its secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Maturity Date or Scheduled Exercise Date, as applicable, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of an extension of the Grace Period, or the relevant Potential Repudiation/Moratorium.

DC Credit Event Question means, with respect to a Reference Entity, a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or one or more Obligations thereof).

DC No Credit Event Announcement means with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event with respect to such Reference Entity (or one or more Obligations thereof).

DC Resolution has the meaning given to that term in the DC Rules.

DC Rules means the Credit Derivatives Determination Committees Rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

DC Secretary has the meaning given to that term in the DC Rules.

Default Requirement means USD 10,000,000 or the amount specified in the related Final Terms and in any case its equivalent in any currency or currencies.

Deliver means:

- (i) to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations to the relevant holder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defense (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor); provided that (i) if a Deliverable Obligation is a Direct Loan Participation, "Deliver" means to create (or procure the creation of) a participation in favor of the relevant Holder and (ii) if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap and those claims shall be deemed to be Deliverable Obligations. "Delivery" and "Delivered" will be construed accordingly.
- (ii) In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time, provided further that Delivery shall be effected complying with the provisions of any documentation (which shall include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties

hereunder. Compliance with the provisions of any such documentation, shall be required for, and, without further action, constitute, Delivery.

- (iii) If Asset Package Delivery applies, (a) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (b) paragraphs (i) and (ii) above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (c) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Holders in accordance with the detailed description of the Asset Package that it intends to Deliver, (d) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (e) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term "Asset Package" shall be construed accordingly.

Deliverable Obligations means:

- (i) the Reference Obligation(s) (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee), described by the Deliverable Obligation Category specified in the applicable Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms (as of the date on which the Calculation Agent determines that such obligations are Deliverable Obligations);
- (iii) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (iv) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as "Applicable" in respect of the Reference Entity in the applicable Final Terms.) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (a) unless it is an Excluded Deliverable Obligation; and (b) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount which is greater than zero (determined for the purposes of paragraph (iv) above of this definition, immediately prior to the Asset Package Credit Event).

(For purposes of assessing the applicability of Deliverable Obligation Characteristics and the requirements specified in the definition of Mod R and Mod Mod R to a Prior Deliverable Obligation or a Package Observable Bond, any such assessment shall be made by reference to the terms of the relevant Obligation in effect immediately prior to the Asset Package Credit Event.

If "Subordinated European Insurance Terms" is specified as "Applicable" in the applicable Final Terms, if a Deliverable Obligation would otherwise satisfy the Maximum Maturity Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in the relevant Deliverable Obligation shall not cause such Deliverable Obligation to fail to satisfy such Deliverable Obligation Characteristic.

Solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery

Commencement Date, of immediate assertion or demand by or on behalf of the holder or holders for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

Any other obligation of a Reference Entity specified as such in the applicable Final Terms, provided that:

- (i) where the Issuer is to redeem the CLN by means of Physical Settlement, if “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” are specified as applicable in the applicable Final Terms and Restructuring is only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Date; and
- (ii) where the Issuer is to redeem the CLN by means of Physical Settlement, if “Mod R Applicable” is specified in the applicable Final Terms and Restructuring is only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Restructuring Date.

The Deliverable Obligation to be Delivered by the Issuer to the Holders shall have an Outstanding Principal Balance (excluding accrued interest) equal to the outstanding aggregate Notional Amount of the CLN subject to Condition 6.

If the term “Deliverable Obligation” is to apply to CLN to be redeemed by the Issuer by means of Cash Settlement, references to “Delivery Commencement Date” shall be deemed to be references to “Valuation Date”

Deliverable Obligation Category means any one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, as specified in the applicable Final Terms. In case of Reference Obligation Only, no Deliverable Obligation Characteristics shall be applicable.

Deliverable Obligation Characteristics means, as at the Delivery Commencement Date, any one or more of the Deliverable Obligation Characteristics which are set out in the Final Terms, from amongst: Listed, Not Domestic Issuance, Not Subordinated, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Specified Currency, Assignable Loan, Consent required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, Direct Loan Participation.

If more than one Assignable Loan and Consent Required Loan are specified as Deliverable Obligation Characteristics in the applicable Final Terms, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the applicable Final Terms, if an obligation would otherwise satisfy a particular Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Deliverable Obligation Characteristic.

Delivery Commencement Date has the meaning set out in Condition 6.5.

Delivery Expenses has the meaning set out in Condition 11.

Detachment Point means in respect of Tranche CLN the number (expressed as a percentage) specified in the relevant Final Terms.

Direct Loan Participation means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of the Holder(s) that provides the Holder(s) with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder(s) and either (A) the Issuer or the Guarantor (if applicable), as the case may be, (to the extent that the Issuer or the Guarantor (if applicable), as applicable, is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

Domestic Currency means the currency specified as such in the applicable Final Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

Domestic Law means the law (a) of the relevant Reference Entity, if such Reference Entity is a Sovereign or (b) the jurisdiction of organisation of the relevant Reference Entity if such Reference Entity is not a Sovereign.

Downstream Affiliate means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty (50) per cent owned, directly or indirectly, by the Reference Entity.

Due and Payable Amount means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or nonoccurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the date selected by the Calculation Agent by reference to any Hedge Positions.

Eligible Information means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

Eligible Transferee means each of the following:

- (i) any bank or other financial institution, insurance or reinsurance company, mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii)(a) below) and registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000; or
- (ii) any affiliate of an entity specified in clause (i) above;
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (a) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations (CDO), commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least USD 100,000,000; or
 - (b) that has total assets of at least USD 500,000,000; or
 - (c) the obligations of which under an agreement, contract, or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in clauses (i), (ii), (iii)(b), (iv) or (v) of this definition; or
- (iv) any Sovereign; or

- (v) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition to USD include equivalent amounts in other currencies in each case as determined by the Calculation Agent.

Excluded Deliverable Obligation means, in respect of a Reference Entity and unless provided otherwise in the applicable Final Terms:

- (i) any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;
- (ii) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (iii) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

Excluded Obligation means :

- (i) any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms;
- (ii) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (iii) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

Exercise Amount has the meaning given to it in Condition 7.

Extension Date means the later of:

- (a) the last day of the Grace Period Extension Period if (i) Grace Period Extension is specified as applicable, (ii) Failure to Pay is an applicable Credit Event in relation to a Reference Entity and (iii) the Calculation Agent delivers an Extension Notice under paragraph (b) of the definition thereof; and
- (b) the Repudiation/Moratorium Evaluation Date if (i) Repudiation/Moratorium is an applicable Credit Event in relation to a Reference Entity and (ii) the Calculation Agent delivers an Extension Notice under paragraph (b) of the definition thereof.

Extension Notice means a notice from the Calculation Agent to the Issuer and the Holders giving notice of the following in relation to a Reference Entity:

- (a) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Maturity Date; or
- (b) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Maturity Date.

Failure to Pay means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

Fallback Settlement Method means Cash Settlement or Physical Settlement as specified in the Final Terms.

Fallback to Cash Settlement Valuation Date has the meaning given to it in Condition 6.6.

Final Delivery Date has the meaning set out in Condition 6.6.

Final Price means, (1) with respect to a Valuation Obligation, either (a) a quotation (expressed as a percentage) of such Valuation Obligation obtained from a number of Quotation Dealers (selected in good faith by the Calculation Agent) in the manner provided below or (b) the relevant price obtained by the Issuer or the Calculation Agent on its behalf from counterparty(ies) to the relevant Hedging Transaction(s) in the manner agreed between the Issuer, the Calculation Agent on its behalf and the relevant counterparty(ies) or (2) the fixed price as indicated in the relevant Final Terms. The Calculation Agent will determine, based on the then current market practice, whether such quotations or prices will include or exclude accrued but unpaid interest and all quotations or prices will be obtained in accordance with this determination. With regard to quotations obtained in accordance with (a) above, the Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at the Valuation Time.

- (i) If the Calculation Agent obtains more than three (3) Full Quotations on the Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, than one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three (3) Full Quotations, but obtains exactly three (3) Full Quotations on the Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotation have the same highest value or lowest value, then one of such highest or lowest Full Quotation will be disregarded).
- (iii) If the Calculation Agent is unable to obtain three (3) Full Quotations, but obtains exactly two (2) Full Quotations on the Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two (2) Full Quotations on the same Business Day within three (3) Business Days following the Valuation Date, on the next following Business Day (and, if necessary on each Business Day thereafter until the fifteenth (15) Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain at least three (3) Full Quotations from Quotation Dealers and, if at least two (2) Full Quotations are not available, the Final Price shall be a Weighted Average Quotation.
- (v) If the Calculation Agent is unable to obtain at least two (2) Full Quotations or a Weighted Average Quotation within such period, the Final Price will be an amount as determined by the Calculation Agent in good faith (which for the avoidance of doubt, may be zero).

Final Settlement Amount has the meaning given to it in the Final Terms.

First Alternative Final Settlement Amount means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Reference Entity Notional Amount;

"B" is the Final Price, the Auction Final Price, 100% - Final Price or 100% - Auction Final Price, as specified in the Final Terms ; and

"C" is Unwind Costs, if applicable in the Final Terms

provided that in no event shall the First Alternative Final Settlement Amount be less than zero.

Fixed Cap means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

Full Quotation means in accordance to the Quotation Method each, firm bid quotation obtained from a Quotation Dealer at the Valuation Time to the extent practicable for an amount of the Reference Obligation with an Outstanding Principal Amount or Due and Payable Amount equal to the Quotation Amount.

Fully Transferable Obligation means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Transactions. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of "Fully Transferable Obligation".

Further Subordinated Obligation means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

Governmental Authority means:

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii) above.

Governmental Intervention means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference

Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (i) any event which would affect creditors' rights so as to cause:
 - (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (c) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
 - (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in paragraphs (i) to (iii).

For purposes of this definition of Governmental Intervention, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

Grace Period means subject to (i) and (ii) below the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred:

- (i) if "Grace Period Extension" is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty (30) calendar days; and
- (ii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three (3) Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

Grace Period Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or if a place or places are not so specified (a) if the Obligation Currency is the euro, a TARGET 2 Business Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

Grace Period Extension means the number of days in the Grace Period after the Potential Failure to Pay subject to a maximum of thirty (30) calendar days.

Greenwich Mean Time (GMT) means the mean solar time at the Greenwich meridian, in Greenwich, London.

Group of Seven (G7) means an informal group composed of the United States, Japan, Germany, the United Kingdom, France, Italy, Canada (listed by nominal GDP). The G-7 represents the world's leading industrial democracies. Their finance ministers/secretaries meet annually to discuss economic cooperation and other matters. The G-7 does not have a permanent secretariat, but rather gives an informal forum for leaders to meet and discuss ideas.

Guarantee means a Relevant Guarantee or a guarantee which is the Reference Obligation.

HCDS Reference Spread means on any date, the official level of the spread of the Hypothetical Credit Default Swap as determined on any date, such Reference Spread being determined by the Calculation Agent on the basis of the value published by the Publisher as such on [www.markit.com] for the Hypothetical Credit Default Swap (or any successor or alternative thereto as determined by the Calculation Agent in a commercially reasonable manner).

If the Calculation Agent determines that the Reference Spread cannot be reasonably determined on the basis of the paragraph above (for example if the level of the Reference Spread is not so published or if www.markit.com ceases to exist and no successor or alternative is identified by the Calculation Agent), the Reference Spread will be determined by the Calculation Agent using commercially reasonable procedures in order to produce a commercially reasonable result.

HCDS Standard Coupon means the coupon of the Hypothetical Credit Default Swap for each Reference Entity determined by using the Rate of Interest, the Day Count Fraction, the Interest Payments Dates and the Business Day Convention specified in the relevant Final Terms.

Hedging Transaction means any underlying or related transaction(s), asset(s) or trading position(s) or arrangements between the Issuer or any other entity of the Exane group that be may entered into or held from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk or funding of the Issuer issuing and performing its obligations with respect to the Securities.

Highest means, with respect to only one Reference Obligation and only one Valuation Date, the highest quotation obtained by the Calculation Agent (or in accordance with the definition of Final Price) with respect to any Valuation Date.

Hybrid Capitalised Fair Market Value means the Hybrid Fair Market Value together with any interest accrued thereon during the period commencing on (and including) the day on which the Calculation Agent determines the Hybrid Fair Market Value and ending on (and excluding) five (5) Business Days (or such other number of Business Days as specified in the Final Terms) before the date on which the relevant amount is payable in accordance with the relevant Condition, as calculated by the Calculation Agent in good faith, by reference to the relevant EONIA rate or such other overnight rate for deposits in Euro available to the Calculation Agent in the inter-bank market during such period.

Hybrid Fair Market Value means with respect to the Credit Linked Portion and/or the Underlying Linked Portion of the Hybrid Securities, the fair market value thereof determined by the Calculation Agent in good faith as soon as practicable after the occurrence of one of the events specified in the relevant Conditions, with reference to the credit of the Reference Entities in respect of the Credit Linked Portion of the Hybrid Securities and to the market value of the Underlyings in respect of the Underlying Linked Portion of the Hybrid Securities. Unless specified otherwise, the calculation of Hybrid Fair Market Value shall take into consideration all future payments of interest and other non-principal amounts in respect of the Underlying Linked Portion of the Hybrid Securities as of the relevant date of calculation and for the period specified in the relevant Condition

Hypothetical Credit Default Swaps. The determination of the Second Alternative Final Settlement Amount and, as a consequence, the determination of the payments to be made under the CLN or Credit-Linked Portion of the Hybrid Securities by the Issuer pursuant to these Conditions are determined on the basis of one or more hypothetical credit default swaps (the Hypothetical Credit Default Swaps and, each, a Hypothetical Credit Default Swap). The Hypothetical Credit Default Swap(s) means English law governed hypothetical credit default swap(s):

- (i) with X as buyer and Y as seller of credit protection;
- (ii) each referencing the relevant Reference Entities and Reference Obligations defined in the relevant Final Terms;
- (iii) subject to terms applicable to the "Transaction Types" for each such Reference Entities under the Physical Settlement Matrix as determined by the Calculation Agent and as modified by the relevant Final Terms;
- (iv) incorporating the 2014 ISDA Credit Derivatives Definitions as published by ISDA and as amended in these Conditions and in the relevant Final Terms;
- (v) with a Trade Date, an Effective Date and a Scheduled Termination Date specified in the relevant Final Terms;
- (vi) in respect of which Publicly Available Information is applicable with a Specified Number of Public Sources specified in the relevant Final Terms;
- (vii) with the HCDS Standard Coupon available for each Reference Entity; and
- (viii) in respect of which the Calculation Agent, acting in good faith but in its sole and absolute discretion, will make any determinations and exercise any discretions and there shall be no obligation to consult with the parties deemed thereto.

For the avoidance of doubt, (i) the Hypothetical Credit Default Swap(s) is/are referred to only for the purposes of determining the Second Alternative Final Settlement Amount, and (ii) it is solely intended to incorporate some of the sections of the 2014 ISDA Credit Derivatives Definitions into this Conditions but do not intend for any CLN or Hybrid Securities to be governed by either a 1992 ISDA Master Agreement or an ISDA 2002 Master Agreement, and (iii) notwithstanding the fact that the Hypothetical Credit Default Swap(s) is/are deemed to be governed by the 2014 ISDA Credit Derivatives Definitions, and is/are to be interpreted pursuant to English law, for the sake of clarity, this is without prejudice to the fact that the CLN and Hybrid Securities are governed by French law.

Index has the meaning set out in the Final Terms.

Instrument Payments means

- (i) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Interest Balance on or prior to the ultimate distribution of the Interest Balance and (y) the ultimate distribution of the Interest Balance on or prior to a specified date and
- (ii) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early Settlement premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

Interest Balance means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, interest balance or similar measure of unreimbursed principal investment.

Interest Commencement Date means the date set out in the Final Terms.

ISDA means the International Swaps and Derivatives Association, Inc.

Largest Asset Package means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of assets with the highest immediately realisable value, determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it deems appropriate, including (without limitation) any Hedge Positions and the methodology, if any, determined by the Credit Derivatives Determinations Committee.

Leverage means a leverage factor expressed as a percentage as specified in the Final Terms.

Listed means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

Loan means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement, however described and shall not include any other type of Borrowed Money.

Loss Amount means, in respect of a Basket CLN and Tranche CLN if nth to Default is specified as not applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Price, subject to a minimum of zero.

M(M)R Restructuring means a Restructuring Credit Event in respect of which either “*Mod R*” or “*Mod Mod R*” is specified as applicable in the applicable Final Terms.

Market Disruption Event has the meaning given to it in Condition 6.8.

Market means, with respect to only one Reference Obligation and only one Valuation Date, the Market Value determined by the Calculation Agent with respect to the Valuation Date.

Market Value means, with respect to a Reference Obligation on a Valuation Date, the value obtained by the Calculation Agent in accordance with the definition of Final Price.

Maturity Date shall be the Scheduled Maturity Date, subject (if specified as applicable in the Final Terms) to extension in accordance with Condition 6.1 A(ii) (*Grace Period Extension*) and Condition 6.1 A(iii) (*Repudiation/Moratorium Extension*) and provided that if a Credit Event Determination Date occurs, the Maturity Date shall be the relevant Settlement Date.

Maximum Maturity means an Obligation that has a remaining maturity from the Delivery Commencement Date of not greater than the period specified in the Final Terms.

Minimum Quotation Amount means the amount specified as such in the Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

Mod Mod R. If “Mod Mod R” is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

Mod R. If "Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements.

Modified Eligible Transferee means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

Modified Restructuring Maturity Limitation Date means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date.

Subject to the foregoing, if the Scheduled Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

Multiple Holder Obligation means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) (A) is a Bond and/or (B) is an Obligation with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

No Auction Announcement Date means with respect to a Credit Event, the date on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee had Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held or (ii) one or more Parallel Auctions will be held.

No Standard Reference Obligation means if the Standard Reference Obligation is removed from the SRO List and not immediately replaced, such obligation shall cease to be a Reference Obligation (other than for the purpose of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the relevant Reference Entity shall constitute the Reference Obligation for it.

Non-Conforming Reference Obligation means a Reference Obligation which is not a Conforming Reference Obligation.

Non-Conforming Substitute Reference Obligation means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (i) of the definition of Deliverable Obligation above on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

Non-Financial Instrument means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

Non-Standard Credit Event Determination Date means with respect to a Credit Event:

- (i) subject to paragraph (ii) of this definition, the day on which the Conditions to Settlement are satisfied, if the Conditions to Settlement are satisfied during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No

Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

- (ii) notwithstanding paragraph (i) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), such date falling on or after the Credit Event Resolution Request Date as may be determined by the Calculation Agent in its sole and absolute discretion and as specified by the Calculation Agent in the Credit Event Notice.

Non-Standard Exercise Cut-off Date means, with respect to a Credit Event to which the definition of Credit Event Determination Date does not apply:

- (i) if such Credit Event is not an M(M)R Restructuring, either:
 - (a) the Relevant City Business Day (as defined in the DC Rules) prior to the Auction Final Price Determination Date, if any;
 - (b) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (c) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or
- (ii) if such Credit Event is an M(M)R Restructuring and:
 - (a) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five (5) Relevant City Business Days following the date on which such Final List is published; or
 - (b) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

Non-Standard Reference Obligation means the Original Non-Standard Reference Obligation (if any) or, if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

Non-Transferable Instrument means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

Not Bearer means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system Clearstream or any other internationally recognised clearing system. If the Deliverable Obligation Characteristic Not Bearer is specified as applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristics had been specified as a Deliverable Obligation Characteristics only with respect to Bonds (and shall only be relevant if Bonds are covered by the specified Deliverable Obligation Characteristics).

Not Domestic Currency means any obligation that is payable in any currency other than applicable Domestic Currency provided that a Standard Specified Currency shall not constitute the Domestic Currency.

Not Domestic Issuance means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

If the Obligation Characteristic “Not Domestic Issuance” is specified as “Applicable” in the applicable Final Terms, such Final Terms shall be construed as though not Domestic Issuance had been specified as an Obligation Characteristic only with respect to Bonds.

Not Domestic Law means any obligation that is not governed by applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

Not Sovereign Lender means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt".

Not Subordinated means, in respect of a Reference Entity, an obligation of the Reference Entity that is not Subordinated to (I) the Reference Obligation or, (II) the Prior Reference Obligation, if applicable;

Notice Delivery Period means the period from and including the Trade Date to and including the Maturity Date.

Notice of Publicly Available Information means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applicable in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Condition 19.

Notice of Valuation Obligations has the meaning given to it in Condition 6.4.

Obligation means:

- (i) any obligation of the Reference Entity (either directly or as a provider of a Relevant Guarantee) described by the Obligation Category specified in the applicable Final Terms and having each of the Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately prior to the Credit Event which is the subject of the Credit Event Notice or as otherwise determined by the Calculation Agent by reference to any Hedge Positions; and
- (ii) the Reference Obligation,

in each case unless it is an Excluded Obligation.

Obligation Acceleration means one or more Obligations, in an aggregate amount of not less than the Default Requirement, have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Obligation Category means one of the following categories: Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, Bond or Loan, as indicated in the relevant Final Terms.

Obligation Characteristics means, any one or more of Not Subordinated, Not Sovereign Lender, Specified currency, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the related Final terms.

Obligation Currency means the currency or currencies in which an Obligation is denominated.

Obligation Default means one or more Obligations, in an aggregate amount of not less than the Default Requirement, have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Original Non-Standard Reference Obligation means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the applicable Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Securities (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) in respect of a Series of Securities that are Exempt Securities only, this definition of "Original Non-Standard Reference Obligation" is specifically amended or overridden in the applicable Final Terms, or (b) the relevant Securities are Reference Obligation Only Securities.

Outstanding Principal Balance means the "Outstanding Principal Balance" of an obligation calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Deliverable/Selected Obligation Accrued Interest, the Reference Entity's accrued but unpaid interest payment obligations which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any;
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation (A) is subject to any Prohibited Action or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in (i) less any amounts subtracted in accordance with (ii), the "Non-Contingent Amount"); and
- (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (a) unless otherwise specified, in accordance with the terms of the obligation in effect on the date selected by the Calculation Agent by reference to any Hedge Positions; and
- (b) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

Package Observable Bond means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (i) or (ii) of the definition of Deliverable Obligation (above), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

Parallel Auction means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

Parallel Auction Settlement Terms means, following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms (as defined in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as defined in the relevant Transaction Auction Settlement Terms) applicable to the relevant Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

Payment Requirement means USD 1,000,000 or the amount specified in the related Final Terms and in any case its equivalent in any currency or currencies, unless otherwise specified in the Final Terms.

Permitted Contingency means, with respect to an obligation, any reduction to a Reference Entity's payment obligations:

- (i) as a result of the application of:
 - (a) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (b) provisions implementing the Subordination of the obligation;
 - (c) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
 - (d) if "Subordinated European Insurance Terms" are specified as applicable in the applicable Final Terms, any Solvency Capital Provisions; or
 - (e) if "Financial Reference Entity Terms" are specified as applicable in the applicable Final Terms, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (ii) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

Permitted Transfer means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

Physical Delivery Amount means the amount determined by the Calculation Agent pursuant to Condition 6.5.

Physical Settlement Amount has the meaning set out in Condition 6.5.

Physical Settlement Date means the intended date for delivery of the relevant Deliverable Obligations to Holders in accordance with Condition 6.5

Portfolio means such Deliverable Obligations or Valuation Obligations, as the case may be, of the relevant Reference Entity as are selected in good faith by the Calculation Agent with an Outstanding Principal Balance as at the Delivery Commencement Date or the specified Valuation Obligations Notice Date, as the case may be in an aggregate amount (in the Specified Currency as set out in the Final Terms or its equivalent in other currencies) not less than the aggregate principal amount of the relevant tranche of CLNs then outstanding. For the purposes of the foregoing, if applicable, the "Outstanding Principal Balance" (a) with respect to any Accreting Obligation, means the Accreted Amount thereof, (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

Post Dismissal Additional Period means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen (14) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

Potential Failure to Pay means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligation(s).

Potential Repudiation/Moratorium means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

Prior Deliverable Obligation means:

- (i) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (i) or (ii) of the definition of Deliverable Obligation above, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (ii) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

Prior Reference Obligation means, in respect of a Reference Entity and in circumstances where there is no Reference Obligation applicable thereto for the purposes of the CLN and Hybrid Securities, (a) the Reference Obligation most recently applicable thereto, if any, and otherwise (b) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (c) any unsubordinated Borrowed Money Obligation of such Reference Entity.

Private-side Loan means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

Prohibited Action means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-sections (i) to (iv) of the definition of Credit Event) or right of set-off by or of the relevant Reference Entity or any applicable Underlying Obligor.

Public Source means each source of Publicly Available Information specified in the applicable Final Terms (or if no such source is specified, each of Bloomberg, Reuters, Dow Jones, Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), as well as the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

Publicly Available Information means:

- (i) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (A). has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; or

- (B). is information received from or published by (1) the relevant Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (2) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
- (C). is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative regulatory or judicial body; or
- (D). is information contained in a public announcement by ISDA,

provided that where any information of the type described in paragraph (B) or (C) of this definition is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

- (ii) In relation to any information of the type described in paragraphs (i) (B) and (C) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the Calculation Agent.
- (iii) Without limitation, Publicly Available Information need not state:

- (A). in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
- (B). that the relevant occurrence:
 - (a) has meet the Payment Requirement or Default Requirement;
 - (b) is the result of exceeding any applicable Grace Period; or
 - (c) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (i) and (ii) of the definition of Repudiation/Moratorium above.

Publisher means Markit Group Limited, or any replacement therefor appointed for purposes of officially publishing the information on the Reference Entities and the Hypothetical Credit Default Swap(s).

Qualifying Affiliate Guarantee means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

Qualifying Guarantee means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
 - (A). by payment;
 - (B). by way of Permitted Transfer;
 - (C). by operation of law;
 - (D). due to the existence of a Fixed Cap; or
 - (E). due to:
 - (a) provisions permitting or anticipating a Governmental Intervention, if "*Financial Reference Entity Terms*" is specified as applicable in the applicable Final Terms; or
 - (b) any Solvency Capital Provisions, if "*Subordinated European Insurance Terms*" is specified as applicable in the applicable Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (i) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (ii) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

Qualifying Participation Seller means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

Qualifying Policy means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the **Insured Instrument**) for which another party (including a special purpose entity or trust) is the obligor (the **Insured Obligor**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the delivery of the Insured Instrument.

Quantum of the Claim means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

Quotation Amount means either (a) the amount specified as such in the relevant Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, (b) if no amount is so specified, the relevant aggregate outstanding Nominal Value of the CLNs (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Quotation Dealers means at least five (5) dealers in obligations of the type of Obligation(s) for which quotations are to be obtained, including each Dealer specified in the Final Terms. If no Dealers are specified in the Final Terms, the Calculation Agent shall select the Dealers in good faith. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing.

Quotation Method means the applicable Quotation Method may be specified in the relevant Final Terms by reference to one of the following terms:

- (i) **Bid** means that only bid quotations shall be requested from Quotation Dealers
- (ii) **Offer** means that only offer quotations shall be requested from Quotation Dealers; or
- (iii) **Mid-market** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Dealer's quotation.

If a Quotation Method is not specified in the Final Terms, Bid shall apply.

Reference Entity shall mean the entity specified as such and shall be each entity as specified in the Final Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series.

Reference Entity Notional Amount means, unless specified otherwise in the applicable Final Terms, for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

Reference Entity Weighting means the proportion specified as such in the Final Terms, which will be adjusted in accordance with the provisions of the definition of Successor.

Reference Obligation Only means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

Reference Obligations means the Standard Reference Obligation, if any, unless:

- (i) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (ii) (A) "Standard Reference Obligation" is specified as applicable in the applicable Final Terms (or no election is specified in the applicable Final Terms), (B) there is no Standard Reference Obligation and (C) a Non-Standard Reference Obligation is specified in the applicable Final Terms, in which case the Reference Obligation will be (a) the Non-Standard Reference Obligation to but excluding the first date of publication of

the Standard Reference Obligation and (b) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

Reference Portfolio means, in respect of the First/nth-to-Default CLN, Basket CLN Index-Linked CLN and Tranching CLN, a portfolio comprising all the Reference Entities.

Reference Portfolio Notional Amount means (i) in respect of Tranche CLN, an amount equal to the aggregate Notional Amount divided by the difference between the Detachment Point and the Attachment Point and (ii) in respect of a Basket CLN which are not Tranche CLN, an amount equal to the aggregate Issue Amount or the Nominal Value as specified in the relevant Final Terms.

Reference Price means the percentage specified as such in any Final Terms or, if a percentage is not so specified, one hundred (100) per cent.

Reference Value of a Hypothetical Credit Default Swap means an amount determined by using the standard method published on the website <http://www.cdsmodel.com/cdsmodel/> and available on the Bloomberg page CDSW and which reflects the (i) difference between the value of the Hypothetical Credit Default Swap (described in the Final Terms) determined on the Final Determination Date of the CLN or Hybrid Securities, and the HCDS Reference Spread or (ii) any combination (such as a ratio, a performance, the sum, multiplication, subtraction) linked to the HCDS Reference Spread described in the Final Terms observed on the Initial Determination Date and the value of the Hypothetical Credit Default Swap (described in the Final Terms) determined on the Final Determination Date of the CLN or Hybrid Securities with a HCDS Reference Spread or any combination linked to a HCDS Reference Spread observed on the Final Determination Date.

Relevant Guarantee means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, a Qualifying Guarantee.

Relevant Holder means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in respect of such Prior Deliverable Obligation or Package Observable Bond by the Calculation Agent.

Relevant Obligations means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (ii) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (i) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

- (iii) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (iv) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

Representative Amount means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent in good faith.

Repudiation/Moratorium means the occurrence of both of the following events: (a) an authorised officer of the Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date, unless the Repudiation/Moratorium Extension Condition is satisfied.

Repudiation/Moratorium Extension Condition will be satisfied:

- (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen (14) calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date; or
- (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date.

Resolve has the meaning given to that term in the DC Rules and **Resolved** and **Resolves** shall be construed accordingly.

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

Restructuring means,

- (a) with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Securities and the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation (or, if applicable in the Final Terms, Multiple Holder Obligation), causing the Subordination of such Obligation (or, if applicable in any Final Terms, Multiple Holder Obligation) to any other Obligation; or
 - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro and any successor currency to any of the aforementioned currencies (which in the case of the Euro, shall mean the currency which succeeds to and replaces the Euro in whole).
- (b) Notwithstanding the above provisions, none of the following shall constitute a Restructuring:
 - (i) the payment in Euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the redenomination from Euros into another currency, if (i) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion between Euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
 - (iii) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iv) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the

creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

- (c) For purposes of this definition of "Restructuring" only, the term Obligation (or, if applicable in any Final Terms, Multiple Holder Obligation) shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of any Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the first paragraph of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.
- (d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (i) to (v) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

Restructuring Date means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Restructuring Maturity Limitation Date means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5 year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

Scheduled Maturity Date has the meaning given to it in the Final Terms.

Second Alternative Aggregate Expected Protection Amount means, (a) whether the Scheduled Termination Date of the Hypothetical Credit Default Swap specified in the relevant Final Terms falls on, or later than, the Maturity Date of the CLN and Hybrid Securities, and (b) only in respect of each Reference Entity for which no Credit Event has occurred, an amount equal to the product of (i) the Nominal Value, (ii) the Reference Entity Weighting, and (iii) the Reference Value of a Hypothetical Credit Default Swap on the relevant Reference Entity.

Second Alternative Aggregate Loss Amount means in respect of each Reference Entity for which a Credit Event has occurred, an amount equal to the product of (i) the Nominal Value, (ii) the Reference Entity Weighting, and (iii) the difference between the Reference Price minus the Final Price or the Auction Final Price in accordance with the Settlement Method.

Second Alternative Final Settlement Amount means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

- (i) the Nominal Value,
- (ii) plus, for each Reference Entity for which Second Alternative Long CDS Final Settlement Method is specified as the applicable Second Alternative Final Settlement Method, if relevant and as applicable:
 - (a) the Second Alternative Aggregate Loss Amount for such Reference Entity; and

- (b) the Second Alternative Aggregate Expected Protection Amount for such Reference Entity;
- (iii) minus, for each Reference Entity for which Second Alternative Short CDS Final Settlement Method is specified as the applicable Second Alternative Cash Settlement Method, if relevant and as applicable:
 - (a) the Second Alternative Aggregate Loss Amount for such Reference Entity; and
 - (b) the Second Alternative Aggregate Expected Protection Amount for such Reference Entity.

Second Alternative Final Settlement Method means Long CDS Final Settlement Method or Short CDS Final Settlement Method, as specified in the relevant Final Terms for each relevant Reference Entity.

Second Alternative Long CDS Final Settlement Method means one of the possible methods applicable to a Reference Entity for the determination of the Second Alternative Final Settlement Amount.

Second Alternative Short CDS Final Settlement Method means one of the possible methods applicable to a Reference Entity for the determination of the Second Alternative Final Settlement Amount.

Senior Obligation means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

Senior Transaction means, in respect of a Reference Entity, that (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

Seniority Level means, with respect to an obligation of a Reference Entity (a) "*Senior Level*" or "*Subordinated Level*" as specified in the applicable Final Terms, or (b) if no such seniority level is specified in the applicable Final Terms, "*Senior Level*" if the Original Non-Standard Reference Obligation is a Senior Obligation or "*Subordinated Level*" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "*Senior Level*".

Settlement Amount means the Auction Settlement Amount, Cash Settlement Amount or Physical Settlement Amount, as applicable.

Settlement Date means the Auction Settlement Date, the Cash Settlement Date or the Physical Settlement Date, as applicable.

Settlement Method means the Cash Settlement, the Auction Settlement or the Physical Settlement as indicated in the relevant Final Terms.

Settlement Disruption Event means an event has occurred or a condition exists as a result of which the relevant Deliverable Obligation(s) cannot be cleared or transferred through the relevant clearance system or by the relevant settlement procedure for such Deliverable Obligation(s).

Solvency Capital Provisions means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

Sovereign means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

Sovereign Restructured Deliverable Obligation means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of

the relevant Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Deliverable Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

Sovereign Succession Event means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

Specified Currency means (a) if Specified Currency is specified in the relevant Final Terms, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies or (b) any currency or currencies specified in the relevant Final Terms. Notwithstanding the provisions of this definition, the Issuer may specify a single Specified Currency in any Final Terms.

Specified Number means the number of Public Sources specified in the applicable Final Terms (or if no such number is not specified, two (2)).

Sponsor means, in respect of an Index, the corporation or other entity specified in the Final Terms that is responsible for setting and reviewing the rules and procedures, the composition and the methods of calculation and adjustments, if any, related to the Index, as determined by the Calculation Agent.

SRO List means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

Standard Reference Obligation means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

Standard Specified Currency means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Steps Plan means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

Subordinated Obligation means any obligation which is Subordinated to any unsubordinated Borrowed Money Obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

Subordinated Transaction means, in respect of a Reference Entity, that the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

Subordination means, with respect to an obligation (the **Second Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **First Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (ii) the holders of the Second Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **Subordinated** will be construed accordingly. For the purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference

Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.

Substitute Reference Obligation(s) means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraph (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (i) or (ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (ii) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (i) or (ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - I. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (i) of the definition of Deliverable Obligation above; or if no such obligation is available,
 - II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (i) of the definition of Deliverable Obligation above;
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

- II. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (i) of the definition of Deliverable Obligation above; or if no such obligation is available,
 - III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (i) of the definition of Deliverable Obligation above; or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:

- I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
- II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
- III. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (i) of the definition of Deliverable Obligation above; or if no such obligation is available,
- IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (i) of the definition of Deliverable Obligation above.

- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Securities as determined by the Calculation Agent. The Calculation Agent will notify the Holders in accordance with Condition 19, of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

Substitution Date means, with respect to a Substitute Reference Obligation, the date, selected by the Calculation Agent by reference to any Hedge Positions, that the Calculation Agent has determined in accordance with the definition of Substitute Reference Obligation.

Substitution Event Date means, with respect to a Reference Obligation, the date of the occurrence of the relevant Substitution Event.

Substitution Event means, with respect to the Non-Standard Reference Obligation:

- (i) the Non-Standard Reference Obligation is redeemed in whole;
- (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or

- (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraph (i) or (ii) above has occurred on or prior to the Issue Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraph (i) or (ii), as the case may be, on the Issue Date.

If a Substitution Event occurs in respect of the Reference Obligation in Reference Obligation Only CLN and Hybrid Securities and unless Substitution Event Early Redemption is specified as "Not Applicable" in the applicable Final Terms the Calculation Agent shall consider such event as an event triggering the early redemption of the CLN and Hybrid Securities and the Issuer shall terminate its obligations under the CLN and Hybrid Securities and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value. Notice shall be given by or on behalf of the Issuer to the Holders of CLN and Hybrid Securities informing them of the Substitution Event and the date scheduled for early redemption.

Substitution means the cessation by the Calculation Agent of the indexation of the CLNs to an Index and its replacement by a substitute Index which has similar features to the substituted Index, including geographic area, sector of activity, currency, frequency and methodology or any other feature which is relevant for the Calculation Agent.

Succession Date means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (i) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

Successor means :

- (i) subject to paragraph (ii) below, the entity or entities, if any, determined as follows:
 - (a) subject to paragraph (g) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
 - (b) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
 - (c) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Conditions and/or the applicable Final Terms will be adjusted as provided below;
 - (d) if one or more entities each succeed, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity

and the Reference Entity will each be a Successor and these Conditions and/or the applicable Final Terms will be adjusted as provided below;

- (e) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
 - (f) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and these Conditions and/or the applicable Final Terms will be adjusted as provided below); and
 - (g) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the Universal Successor) will be the sole Successor; and
- (ii) An entity may only be a Successor if:
- (a) either (a) the related Succession Date occurs on or after the Successor Backstop Date, or (b) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
 - (b) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
 - (c) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen (14) calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under clause (ii) of this definition of Successor; provided that the Calculation Agent will not make such determination if, at such time, either (x) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in clause (ii) of this definition of Successor and of Successor Resolution Request Date are satisfied in accordance with the DC Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (y) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Holders at the specified office of the Principal Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (i)(C), (a)(iv), (i)(D) or (ii) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Conditions and/or the applicable Final Terms as it shall determine to be appropriate to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2014 ISDA Credit Derivatives.

Upon the Calculation Agent making such adjustment and notifying the Issuer of such adjustment, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 19, as applicable, stating the adjustment to these Conditions and/or the applicable Final Terms and giving brief details of the relevant event.

If two or more entities (each, a **Joint Potential Successor**) jointly succeed to a Relevant Obligation (the **Joint Relevant Obligation**) either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

For the purposes of this definition of "Successor", "succeed" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the **Exchange Bonds** or **Loans**) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (i) of this definition of "Successor" shall be made on the basis of the Outstanding Principal Balance of Relevant Obligations exchanged and not on the basis of the Outstanding Principal Balance of the Exchange Bonds or Loans.

Successor Backstop Date means for purposes of any Successor determination determined by DC Resolution the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Calculation Agent determines that the succession is effective which date may be determined, without limitation, by reference to any Hedge Positions and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Calculation Agent determines that the date on which the succession is effective (determined, without limitation, by reference to any Hedge Positions) is not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Successor Resolution Request Date means, with respect to a notice to the DC Secretary, requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to a Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

Supranational Organization means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the

foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

Suspension End Date has the meaning set out in Condition 6.2 D.

Suspension Terms has the meaning given to it in Condition 6.2 D.

Third Alternative Final Settlement Amount means:

If the applicable Final Terms specify that the Third Alternative Final Settlement Method is applicable, if the Conditions to Settlement are satisfied with respect to a Reference Entity on or prior to the Scheduled Maturity Date, the CLN will be redeemed, when relevant and as indicated in the relevant Final Terms, at the Third Alternative Final Settlement Amount as determined by the Calculation Agent on the Settlement Date.

Unless the CLN has been previously redeemed or purchased and cancelled, and provided that the Calculation Agent has not sent an Extension Notice or a Credit Event Notice to the Issuer and to the Holders on or prior to the last day of the Notice Delivery Period and if the applicable Final Terms specify that the Third Alternative Final Settlement Method is applicable, each CLN shall be redeemed by the Issuer at the Third Alternative Final Settlement Amount on the Scheduled Maturity.

Where:

Third Alternative Final Settlement Amount means:

- (i) in the absence of a Credit Event, the Third Alternative Final Settlement Amount shall be equal to zero (0); and
- (ii) in case of occurrence of a Credit Event with respect to a Reference Entity, an amount calculated by the Calculation Agent equal to: $A \times (1 - B)$.

where:

"A" is the Reference Entity Notional Amount; and

"B" is the Auction Final Price or Cash Settlement Price in accordance to the relevant Settlement Method..

provided that in no event shall the Third Alternative Final Settlement Amount be less than zero.

Third Alternative Final Settlement Method means the settlement method for the determination of the Third Alternative Final Settlement Amount applicable if the Final Terms specify that this Settlement Method is applicable.

For the avoidance of doubt, this Third Alternative Final Settlement Amount shall be only applicable to CLN with a Nominal Value of not less than euros 100 000.

Trade Date means the date set out in the Final Terms.

Tranche Notional Amount means in respect of Tranche CLN, the aggregate Notional Amount of the CLN on the Issue Date or such other amount specified as such in the Final Terms.

Tranche Subordination Amount means, with respect to the Tranche CLN, the Reference Portfolio Notional Amount multiplied by the Attachment Point.

Transaction Auction Settlement Terms means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of

Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, inter alia, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Securities shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Auction Covered Transactions (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms) would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the CLN and Hybrid Securities (the **Reference Transaction**). The Reference Transaction is a hypothetical credit derivative transaction included in these Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Securities.

Transaction Type means in respect of a Reference Entity, the transaction type specified in the Final Terms.

Transferable means an obligation that is transferable to institutional investors without any contractual statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (iii) restrictions in respect of blocked periods on or around payment dates or voting periods;

Unless otherwise specified in the related Final terms, if the Deliverable Obligation Characteristic Transferable is specified as Applicable in the Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Deliverable Obligation Category).

Types of CLN: the Final Terms shall specify whether the CLN are:

- (i) Single Name CLN (**Single Name CLN**) where the Issuer buys Holder credit protection by reference to one single Reference Entity. If the Conditions to Settlement are satisfied in respect of the Reference Entity, as specified in the Final Terms, all of the CLN will be settled.
- (ii) First/nth to Default CLN (**First/nth to Default CLN**) where the Issuer buys Holder credit protection by reference to at least two Reference Entities. If the Conditions to Settlement are satisfied in respect of the First/nth Reference Entity to default, as specified in the Final Terms, all of the CLN will be settled.
- (iii) Basket CLN (**Basket CLN**) where the Issuer buys Holder credit protection by reference to at least two Reference Entities. If the Conditions to Settlement are satisfied in respect of one Reference Entity, as specified in the Final Terms, the CLN will be settled in a proportional amount equal to the fraction the Reference Entity represents of the basket of Reference Entities.
- (iv) Index CLN (**Index CLN**) where the Issuer buys Holder credit protection by reference to Reference Entities comprised in an Index or Indices linked to Reference Entities, as specified in the Final Terms.
- (v) Principal Protected CLN (**Principal Protected CLN**) where the Issuer buys Holder credit protection by reference to one or more Reference Entities, (a) if at least one Credit Event occurs, payments of interest due on the CLN cease in accordance with these Conditions and any other payments due in respect of the CLN

must be made in accordance with the Conditions and (b) if no Credit Event occurs, payments of interest due on the CLN shall continue until the Maturity Date in accordance with the Conditions.

- (vi) CDS Spread CLN (CDS Spread CLN) where amounts in respect of principal and interest payable on the CLN to Holders are calculated by reference to the value of a CDS spread (mono underlying, basket or index) linked to a particular Reference Entity. If one or more Credit Event(s) occurs, the calculation method used to determine such payments shall be set forth in the Conditions.
- (vii) Tranching CLN means a Basket CLN for which the Tranching CLN is the Type of CLN applicable in the Final term.

Undeliverable Loan Obligation(s) has the meaning set out in Condition 6.7.

Undelivered Portion has the meaning set out in Condition 6.6.

Underlying Linked Portion means the portion of the Nominal Value of the Hybrid Securities linked to one or more Underlying(s).

Underlying Obligation means, with respect to a guarantee, the obligation which is the subject of the guarantee.

Underlying Obligor means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

Underlying Settlement Amount means, for each Hybrid Security, the pro rata share of the outstanding Nominal Value of the Underlying Linked Portion of that Hybrid Security, as calculated by the Calculation Agent in good faith.

Unwind Costs means in respect of each CLN, an amount subject to a minimum of zero, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding and break funding charges), tax and duties incurred directly or indirectly by the Issuer or any of its Affiliates in relation to the occurrence of a Credit Event Determination Date or any Adjustment Event and related to partial or total termination, settlement or re-establishment of any Hedging Transaction such amount to be apportioned pro rata amongst the outstanding CLN.

Valuation Date has the meaning given to it in the Final Terms.

If **Single Valuation Date** is specified in the Final Terms, "**Valuation Date**" shall be the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, five (5) Business Days.

If **Multiple Valuation Dates** is specified in the Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not so specified, five (5) Business Days); and
- (ii) each successive date that is the number of Business Days specified in the Final Terms (or, if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Calculation Agent obtains a Final Price with respect to the immediately preceding Valuation Date

When "Multiple Valuation Dates" is specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Final Terms (or, if the number of Valuation Dates is not so specified, five (5) Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the Final Terms, Single Valuation Date shall apply.

Valuation Method means the Valuation Method Highest, Market, Average Market, Average Highest, as specified in the Final Terms.

Valuation Obligation Notice Date has the meaning set out in Condition 6.4.

Valuation Obligations has the meaning set out in Condition 6.4.

Valuation Time means the time specified as such in the Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

Voting Shares means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Weighted Average Quotation means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

Zero Coupon Security means a Security which will not bear interest (except in case of late payment).

2. TYPE, FORM, NOMINAL VALUE, TITLE, TRANSFER AND REDENOMINATION

2.1 TYPE

The Securities issued pursuant to the Programme may be Certificates, CLN or Hybrid Securities.

2.2 FORM

At the Issuer's discretion, the Dematerialised Securities admitted to the operations of a central depository, whether or not admitted to trading on a regulated market, may be (a) in bearer form, registered as of the issue date on the books of Euroclear France, as central depository, or in the books of any other depository which will be brought to the knowledge of the Holders, which will credit the accounts of the relevant Accredited Financial Intermediaries, including Euroclear Bank S.A./N.V. as operator of the Euroclear System and the depository bank for Clearstream Banking, a joint stock company (*société anonyme*), or any bank that may subsequently assume this function or in the books of any other depository nominated in the Final Terms (such as SIX SIS Ltd in Switzerland) (b) in registered form and, in this case, either in an account with the Issuer or in an administered account as described in the Conditions, at the discretion of the Holder.

The Securities shall be issued solely in book-entry form and title to the Securities will be evidenced in accordance with articles L. 211-3 and R. 211-1 *et seq.* of the French monetary and financial code. No physical document of title (including representative certificates (*certificats représentatifs*) pursuant to article R. 211-7 of the French monetary and financial code) will be issued in respect of the Securities.

2.3 NOMINAL VALUE

The Securities shall have the Nominal Value assigned to them in the Final Terms.

2.4 TITLE AND TRANSFER OF THE SECURITIES

Title of Securities in bearer form and in administered registered form shall be transferred only by recording the transfer in the accounts of the relevant Accredited Financial Intermediary or Intermediaries, in accordance with the rules, regulations, and operating procedures of Euroclear France and/or (as applicable) the relevant Accredited Financial Intermediary or Intermediaries. Title of Securities held in an account with the Issuer shall be transferred only by recording the transfer in the accounts of the Issuer or the Registrar.

If the Securities are admitted to a settlement-delivery system or a depository other than Euroclear France, the transfer of ownership in the Securities shall take place in accordance with the rules of such system or depository.

Subject to a legal ruling issued by a competent court or applicable legal provisions, the Holder of any Security shall be deemed, in any circumstance, to be the sole and unique owner, whether or not said Security is due, irrespective of any declaration of ownership, of any right to said Security, and no one shall incur liability for having considered the holder to be the owner.

The Issuer, the Guarantor and any Paying Agent shall consider each Holder as the true owner of this number of Securities for all purposes, notwithstanding any notices to the contrary, and the expressions "holder(s) of securities", "bearer(s) of Securities", "holder", "bearer", "owner (s) of Securities", "owner" and all related terms shall be accordingly construed.

2.5 FORCED TRANSFER AT OPTION OF THE ISSUER UPON VOID TRANSFER OR OTHER DISPOSITION

Any transfer or other disposition of any legal or beneficial ownership interest in a Security to:

(A) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act; or

(B) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the **CFTC**) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)); (any such person or account, a **Non-Permitted Transferee**),

will be void ab initio and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Security in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Security.

Notwithstanding any other provision of these Conditions, the Issuer shall give notice to the relevant Paying Agent and shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Security is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (a) an affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case, at a price equal to the lesser of (x) the purchase price paid for such interest by such Non-Permitted Transferee, (y) the principal amount of such interest and (z) the fair market value of such interest, less any costs or expenses incurred by or on behalf of the Issuer in connection with such sale.

2.6 REDENOMINATIONS

The Issuer may (if this is specified in the Final Terms), on any date, without the consent of the Holder of any Security, and by notifying him in accordance with Condition 19 at least thirty days in advance, as of the date on which the Member State of the European Union whose currency is the currency in which the Securities are denominated becomes a Member State participating in the third phase of the Economic and Monetary Union introduced on 1 January 1999 (as defined in the Treaty establishing the European Community, as amended (the **Treaty**)) or events that may substantially have the same effect occur (in each case, **EMU**), redenominate in Euros all, and not just a portion of the Securities of each Series, and make the adjustments necessary on the amount in principal and/or the Nominal Value indicated in the Final Terms, as more broadly described below. The date on which this redenomination becomes effective shall be defined in these Conditions as being the **Redenomination Date**.

- (i) Unless specified otherwise in the Final Terms, the redenomination of Securities in accordance with (i) above shall be effected by converting the issue size and the nominal value of each Security denominated in the relevant national currency into Euros by using the fixed conversion rate for this national currency and the euro as established by the Council of the European Union pursuant to article 123 (4) of the Treaty, and by rounding off the resulting number to the nearest euro cent (0.005 euro is rounded up to the next euro cent). If the Issuer so decides, the figure resulting from the conversion of the issue size and of the nominal value of each Security after applying the fixed conversion rate between the relevant national currency and the euro may be rounded down to the nearest euro. The issue size and the nominal value of the Securities in Euros determined in this way must be notified to Holders in accordance with Condition 19. Any balance resulting from the redenomination of a value greater than 0.01 euro must be paid with a cash balance rounded off to the nearest euro cent (0.005 euro will be rounded up to the next euro cent). Such a cash balance shall be payable in Euros on the Redenomination Date using the method notified by the Issuer to the relevant Holders.
- (ii) Following a redenomination of Securities, any reference herein to the relevant national currency shall be interpreted as being a reference to the euro.
- (iii) Unless specified otherwise in the Final Terms, the Issuer may, pursuant to a redenomination in accordance with this Condition, and without the consent of the Holder of any Security, make any changes or additions to these Conditions, taking into consideration market practice with respect to debt securities issued on the euromarket and denominated in Euros, which it believes are not prejudicial to the interests of these Holders. Unless in the event of a blatant error, all such changes or additions shall be enforceable against Holders and shall be notified to the relevant Holders in accordance with Condition 19 as soon as practicable.

- (iv) Neither the Issuer nor the Paying Agent shall be liable to the Holder of any Security or any other person for any commissions, costs, losses or expenses for, or resulting from, a credit or transfer in Euros, or from the conversion of any currency and the rounding off performed in this context.

3. STATUS, EXANE GUARANTEE, ADDITIONAL GUARANTEE AND RATING

3.1 STATUS OF THE SECURITIES

The Securities constitute direct, unconditional and unsubordinated obligations of the Issuer that shall rank equally (*pari passu*) with each other and with all other direct, unconditional and unsubordinated obligations of the Issuer, both present and future (subject to such exceptions from time to time exist under applicable law).

3.2 EXANE GUARANTEE

The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any and all amounts due by the Issuer in respect of the Securities as and when the same shall become due and payable. The Exane Guarantee given by the Guarantor on the Securities shall constitute a direct, unsubordinated obligation of the Guarantor and shall rank equally (*pari passu*) with its other direct, unconditional and unsubordinated obligations, both present and future (with the exception of preferred obligations under the law).

The form of this Exane Guarantee is provided in the Base Prospectus.

3.3 ADDITIONAL GUARANTEE FOR CERTAIN ISSUES IN THE FORM OF A PLEDGING OF SECURITIES ACCOUNT

A. Creation of the Pledge

The Holders of certain Series of Securities may benefit from an additional guarantee in the form of a pledging of securities account in accordance with article L. 211-20 and articles D. 211-10 *et seq.* of the French monetary and financial code. The Pledge shall constitute a direct unsubordinated obligation of the Pledgor.

A separate financial instruments account shall be opened with the relevant Pledged Account Custodian and pledged for each Series of Securities for which the Final Terms specify that such Securities benefit from this additional guarantee.

The condition and the basis of the Pledge of each Security shall be specified in the Final Terms.

The Pledge is made, both between the Pledgor and the relevant Holder and with respect to any third party, when a Statement of Pledge is signed by the Pledgor. The Statement of Pledge for each of the Securities of a relevant Series shall be provided in the Final Terms for the issue of such Series of Securities. The Holders of these Securities shall benefit from a joint right to the Pledged Account for each Series. This Pledge shall benefit each initial subscriber of the relevant Securities and each subsequent Holder. Each Holder concerned shall thus benefit, pursuant to the above-mentioned article L.211-20, from a lien (*droit de retention*) on the financial instruments and amounts in any currency contained in the Pledged Account.

The issue by the relevant Pledged Account Custodian of an Acknowledgement of Pledge shall be a condition precedent to the issue of the relevant Securities.

Each relevant Holder may obtain an Acknowledgement of Pledge, at any moment upon request sent to the Pledged Account Custodian.

Each Pledged Account may be credited with Eligible Financial Instruments or amounts in any currency which are the proceeds of Eligible Financial Instruments. The Pledgor is entitled to substitute, in whole or in part, other Eligible Financial Instruments of at least equivalent value for the Eligible Financial Instruments pledged.

If a security, unit or share of collective investment schemes, or financial instrument recorded in the Pledged Account no longer fulfils the characteristics of the Eligible Financial Instruments, the Pledgor shall, as soon as it is aware of this fact, replace said security, unit or share of collective investment schemes or financial instrument within two (2) Business Days with Eligible Financial Instruments or amounts in any currencies (which are the proceeds of

Eligible Financial Instruments) of at least equal value. Any failure by the Pledgor to execute this obligation to replace an security, unit or share of collective investment schemes or financial instrument shall be notified to the Holders by the Pledged Account Custodian within five (5) Business Days after it occurs, in accordance with Condition 19.

B. Adjustment of the Pledge value

On each Pledge Calculation Date until the release of the Pledge, the Pledged Account Custodian must determine the total value of the financial instruments and amounts in all currencies (which are the proceeds of Eligible Financial Instruments) in the Pledged Account. If, on a Pledge Calculation Date, this total value is less than the Minimum Pledge Value or the Fixed Pledge Value, as set out in the Final Terms, the Pledged Account Custodian must inform the Pledgor no later than the Business Day following such determination.

The Pledgor shall then be required, no later than two (2) Business Days after receipt of the notice from the Pledged Account Custodian, to credit the Pledged Account with the number of Eligible Financial Instruments or amounts necessary so that the total value of the financial instruments and amounts in all currencies in the Pledged Account is at least equal to the Minimum Pledge Value or Fixed Pledge Value. Any failure by the Pledgor to execute this obligation to adjust the value of the Pledge shall be notified to the Holders by the Pledged Account Custodian within five (5) Business Days after it occurs, in accordance with Condition 19.

Conversely, if, on any Pledge Calculation Date, the total value of the financial instruments and amounts in all currencies in the Pledged Account is greater than the Minimum Pledge Value or the Fixed Pledge Value, the Pledged Account Custodian must so inform the Pledgor no later than the Business Day following such determination, and shall send the Pledgor a partial release of the Pledge equal to the corresponding value, so as to allow the Pledgor to bring the total value of the financial instruments and amounts in all currencies in the Pledged Account to the Minimum Pledge Value or Fixed Pledge Value. This release shall take the form of a certificate from the Pledged Account Custodian. The Pledgor shall inform the Pledged Account Custodian, no later than the following Business Day, of the financial instruments or amounts that it wishes to receive in order to bring the total value of the financial instruments and amounts in all currencies in the Pledged Account to the level of the Minimum Pledge Value or Fixed Pledge Value. However, the Pledgor may no longer benefit from allotments once a Holder has transmitted to the Pledgor a Formal Demand as described in (C) below.

For the purposes of this paragraph (B), a notice received no later than 4:00 p.m. Paris time on a Business Day shall take effect the same day. A notice received after 4:00 p.m. Paris time shall take effect on the following Business Day.

Should Securities be the subject of a Moody's rating, any changes in the Pledged Account Custodian's performance conditions may cause the structure of the Pledged Account to be reviewed in order to confirm Moody's rating of the Securities.

C. Enforcement of the Pledge

Any Pledgee owed a certain, liquid, due and payable debt may enforce the Pledge in the amount of his Secured Debt plus enforcement costs, eight calendar days after the Formal Demand provided in the Base Prospectus and sent to the Issuer by registered letter, with copies to the Pledgor and the Pledged Account Custodian, has remained unanswered. In order to request the enforcement of the Pledge, each relevant Pledgee must send an Instruction for Enforcement of the Pledge in the form provided in the Base Prospectus to the Pledged Account Custodian by registered letter.

The Pledge shall then be enforced, for each relevant Security, or when relevant, for the relevant amounts, up to the limit of the Secured Debt, pursuant to applicable laws and regulations and in accordance with paragraphs (a), (b) and (c) below and the common procedure described in paragraph (d) below:

- (a) Enforcement process - Financial securities eligible to direct attribution

Pursuant to articles L. 211-20-V et D. 211-12 of the French monetary and financial code, for French or foreign securities traded on a regulated market, the enforcement will take place, for each financial security, within the limits of the Secured Debt, by allotment with full ownership on the basis of the last available closing price on the regulated market on the Exchange Business Day preceding the allotment date;

For units or shares of collective investment schemes as defined by article L.214-1 of the French monetary and financial code, the enforcement will take place, for each financial security, within the limits of the Secured Debt, by allotment with full ownership on the basis of the last available valuation of such units or shares on the Business Day preceding the allotment date.

(b) Enforcement process - Financial securities not eligible to direct attribution

For securities other than financial securities eligible to direct attribution (described in paragraph (a) above), the enforcement of the Pledge, will take place, for each financial security, within the limits of the Secured Debt, by request for ownership to the benefit of the Pledgee pursuant to article 2348 of the French civil code.

The enforcement of the Pledge pursuant to article 2348 of the Civil Code will be performed as follows:

- (i) the foreclosure (*attribution*) of the financial securities will take place three calendar days following the mailing of the Instruction for Enforcement of the Pledge from the Pledgee to the Pledgor and Pledged Account Custodian (the “**Foreclosure Date**”);
- (ii) the Pledgor and the Pledgee must appoint an expert as described below and in accordance with article 1843-4 of the French civil code to determine the value of the financial securities as at the Foreclosure Date (the “**Enforcement Value**”):
 - (A) the expert will be an institution specialising in the valuation of shares designated by the Pledgor and the Pledgee;
 - (B) if the Pledgor and the Pledgee fails to designate an expert within seven (7) calendar days, the Pledgor will request the President of the Paris Commercial Court (*Tribunal de commerce de Paris*) acting by way of summary proceedings (*en la forme des référés*) to appoint an expert among international and independent auditing firms. The decision of the President of the Paris Commercial Court will be final;
- (iii) the expert will be in charge of determining the Enforcement Value on the Foreclosure Date;
- (iv) the valuation made by the expert appointed under Paragraph (ii) above will be final and binding on the Pledgor and Pledgee; and
- (v) if the sum of the Enforcement Value and amounts in all currencies in the Pledged Account are higher than the outstanding amount of the Secured Debt on the date of the enforcement of the Pledge, then the excess shall be returned to the Pledgor.

(c) Enforcement process – Amounts in currency

For amounts in any currency in the Pledged Account, the enforcement of the pledge will be performed directly by transfer with full ownership to the Pledgee.

(d) Enforcement process – Common process

Enforcement shall be performed by the Pledged Account Custodian by first allotting to each relevant Pledgee in priority order French or foreign transferable securities traded on a regulated market or units or shares in collective

investment undertakings. The number of French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings to be allotted shall be calculated so that each Secured Debt can receive an equal number of French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings recorded in the Pledged Account at the time the Pledged Account Custodian receives the first Instruction for Enforcement of the Pledge in the form provided in the Base Prospectus. Fractional French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings, if any, shall be paid by allotting to each relevant Pledgee amounts in any currency recorded in the Pledged Account.

Neither the Pledged Account Custodian nor the Pledgee shall incur any liability with respect to the Pledgor or any third party as the result of an order for enforcement or the price at which the Pledge is enforced. The costs for enforcing the Pledge shall be borne by the Pledgor and shall be charged against the proceeds from this enforcement.

In the event that the financial instruments and/or amounts recorded in the Pledged Account are denominated in a currency different from the currency of the Secured Debt, the foreign exchange rate that shall be applied to value, attribute or transfer the Pledge shall be the reference foreign exchange rate of the European Central Bank as it is available at 11.00 a.m. (Paris time) on the European Central Bank's website on the date of the operation planned or, if no quotation is possible on this date, the first available quotation that follows.

The Exane Guarantee and the Pledge constitute independent guarantees under French law. Each of them may be enforced once the debt has become certain, liquid, due and payable, in accordance with their respective terms. The Holder may elect whether to enforce the Exane Guarantee and/or the Pledge. In the case the Pledge is not sufficient in order to cover the amounts due in respect of the Secured Debt, the Holders will continue to be able to claim against the Guarantor the unpaid amount.

D. Partial or total release of the Pledge

Upon settlement by the Issuer or, if applicable, the Guarantor, or a Security is cancelled or redeemed by the Issuer (following a market purchase, a public offer, or in any other manner), the Pledgor may obtain a total or partial release, as applicable, of the Pledge. This release shall take the form of a Certificate of Valid Settlement (*attestation de bonne fin de règlement*) to be delivered by Euroclear France or the relevant Settlement Confirmation Agent, indicating that each relevant Security has been settled in full in favour of the account custodians for the beneficiaries, the list of which has been provided to it by the Principal Paying Agent, or cancelled by the Issuer.

The Pledgor must provide the Certificate of Valid Settlement from Euroclear France or from the relevant Settlement Confirmation Agent to the Pledged Account Custodian. Once this certificate has been provided to the relevant Pledged Account Custodian, the Pledgor may freely dispose of all, or only part, as applicable, of the financial instruments or amounts in all currencies in the Pledged Account. The partial release of the Pledge will allow the Pledgor to bring the total value of the financial instruments and amounts in all currencies in the Pledged Account to the Minimum Pledge Value or Fixed Pledge Value.

The relevant Pledged Account Custodian shall ensure that the settlement to be made by delivery of securities by the Issuer, or the Guarantor if applicable, equals the Settlement Amount indicated in the Final Terms. In the event of a disagreement on this amount for more than one Business Day between the Pledged Account Custodian and the Calculation Agent, the Calculation Agent must designate a leading bank or investment bank on the interbank market (or, if applicable, on the money market, the swaps market, or the over the counter market for index options), excluding any member of the Exane group, whichever is most suitable for the calculations to be made, so that said bank performs the required calculation. The amount determined by this bank may not be disputed by the Calculation Agent, the relevant Pledged Account Custodian, or any other person. Upon payment of the amount calculated by this bank, the Pledged Account Custodian may obtain the necessary release.

E. Minimum rating of the Pledged Account Custodian

The Pledged Account Custodian (or if the Pledged Account Custodian is not rated, the company that holds at least 95% of the shares of the Pledged Account Custodian (the **Parent Company**)) must at any time have its unsubordinated short-term debt rated at least P-1 by Moody's, and its long-term unsubordinated debt rated at least Aa3 by Moody's. If the short or long-term unsubordinated debt of the Pledged Account Custodian or the Parent Company is rated below P-1 or Aa3 respectively by Moody's, or if the Pledged Account Custodian or the Parent Company has no rating on its unsubordinated debt from Moody's, the Pledgor must choose another Pledged Account Custodian, which must at any time have its unsubordinated short-term debt rated at least P-1 by Moody's and its unsubordinated long-term debt rated at least Aa3 by Moody's, immediately after the occurrence of such an event. All Pledged Accounts existing at the time of the designation of the new Pledged Account Custodian must then be transferred immediately to the new Pledged Account Custodian.

Any change in Pledged Account Custodian shall be notified to the Holders and to Moody's, if applicable, in accordance with Condition 19.

3.4 CHANGE TO THE RATING GIVEN TO THE SECURITIES

Certain issues of Securities may be rated by Moody's. Such a rating may from time to time be reviewed, suspended or withdrawn. Holders shall be immediately informed of any change in the rating given to the Securities by the Issuer or by the Pledged Account Custodian in accordance with Condition 19.

Moody's is established in the European Union and is registered under the CRA Regulation, as it appears from the list published by the European Securities and Markets Authority on their website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) dated 3 June 2013.

A rating is not a recommendation to buy, sell or hold the securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

4. **INTEREST**

The Certificates, the CLN and the Hybrid Securities may be Fixed Rate Securities, Floating Rate Securities, Zero Coupon Securities, Partly Paid Securities or Securities linked to an Underlying(s), as specified in the Final Terms.

4.1 **FIXED RATE INTEREST**

Each Security giving entitlement to a remuneration calculated on the basis of a Fixed Rate shall bear interest calculated on its Nominal Value from the Interest Commencement Date, at an annual rate (expressed as a percentage) equal to the Rate of Interest as specified in the Final Terms; this interest shall be payable in arrears on each Interest Payment Date as specified in the Final Terms and up to (and including) the Maturity Date.

The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such date will amount the Fixed Coupon Amount (**the Fixed Coupon Amount**) as specified in the Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount the Broken Amount (**the Broken Amount**).

4.2 **FLOATING RATE INTEREST**

A. Interest Payment Dates

Each Security giving entitlement to a yield calculated on the basis of a Floating Rate shall bear interest calculated on its unpaid Nominal Value at an annual rate (expressed as a percentage) equal to the Rate of Interest payable in arrears on each Interest Payment Date. Such Interest Payment Date or Dates are indicated in the Final Terms as being the Scheduled Interest Payment Date or Dates or, if no Scheduled Interest Payment Date is indicated in the Final Terms, Interest Payment Date shall mean each date at the end of the number of months or at the end of another period defined in the Final Terms as the Scheduled Period occurring after the preceding Interest Payment Day and, in the case of the first Interest Payment Date, after the Interest Commencement Date.

B. Business Day Convention

When a date indicated in these Conditions, assumed to be adjusted in accordance with a Business Day Convention, does not fall on a Business Day, and when the applicable Business Day Convention is (A) the Floating Rate Business Day, this date shall be postponed to the following Business Day, unless that day falls in the following month, in which case (x) the date used shall be brought forward to the Business Day immediately preceding that day, and (y) any subsequent due date shall be set on the last Business Day of the month in which this due date should have fallen in the absence of such adjustments; (B) the Following Business Day, this date shall be postponed to the following Business Day; (C) the Modified Following Business Day, this date shall be postponed to the following Business Day, unless that day falls in the following month, in which case that date will be brought forward to the immediately preceding Business Day; or (D) the Preceding Business Day, this date will then be brought forward to the immediately preceding Business Day.

C. Rate of Interest for Securities giving entitlement to remuneration calculated on the basis of a Floating Rate

This Rate of Interest applicable for each Interest Period shall be determined in accordance with the stipulations below concerning the ISDA Determination, the FBF Determination or the Screen Rate Determination that shall apply, based on the option defined in the Final Terms.

(i) ISDA Determination for Floating Rate

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest applicable to each Interest Period must be determined by the Calculation Agent as being a rate equal to the relevant ISDA Rate, plus or minus, as applicable (as specified in the Final Terms), the Margin (if any). For the purposes of this sub-paragraph (i), the **ISDA Rate** for an Interest Period means a rate equal

to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction governed by a 2002 Master Agreement of the International Swaps and Derivative Association, Inc. (ISDA), supplemented by ISDA Definitions under the terms of which:

- (i) the Floating Rate Option is that indicated in the Final Terms;

the Designated Maturity is a period specified in the relevant Final Terms; and

the relevant Reset Date is the first day of that Interest Period, unless otherwise specified in the relevant Final Terms.

For the purposes of this paragraph, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definition.

(ii) FBF Determination for Floating Rate

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest applicable to each Interest Period must be determined by the Calculation Agent as being a rate equal to the relevant FBF Rate, plus or minus, as applicable (as specified in the Final Terms), the Margin (if any). For the purposes of this sub-paragraph (ii), the **FBF Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction governed by the FBF Definitions under the terms of which:

- (i) the Floating Rate Option is that indicated in the Final Terms; and
- (ii) the Floating Rate Determination Date is specified in the relevant Final Terms.

For the purposes of this paragraph, "**Floating Rate**", "**Agent**" and "**Floating Rate Determination Date**" are translations of French terms, respectively have the meanings given to those terms in the FBF Definitions.

(iii) Screen Rate Determination for Floating Rate

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period in accordance with the following provisions (unless otherwise specified in the applicable Final Terms):

- (i) if the primary source for the Floating Rate is a Screen Page, subject as provided below, the Rate of Interest shall be:
 - (a) the Relevant Rate (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - (b) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page;

in each case appearing on the relevant Screen Page at the Relevant Time on the Interest Determination Date, as disclosed in the relevant Final Terms, plus or minus (as indicated in the relevant Final Terms) the Margin (if any);

- (ii) if the Screen Page specified in the relevant Final Terms as a primary source permanently ceases to quote the Relevant Rate(s) but such quotation(s) is/are available from another page, section or other part of such information service selected by the Calculation Agent (the **Replacement Page**), the Replacement Page shall be substituted as the Primary Source for Rate of Interest quotations and if no Replacement Page exists but such quotation(s) is/are available from a page, section or other part of a different information service selected by the Calculation Agent and approved by the Issuer (the **Secondary Replacement Page**), the Secondary Replacement Page shall be substituted as the Primary Source for Rate of Interest quotations;

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

Any other term and/or definition necessary for the determination of the Rate of Interest under this Condition 4.2 (c) shall be specified in the Final Terms. The method of determination may be replaced by any other similar determination for swap transactions or other derivatives governed by a national or international master agreement.

4.3 FIXED/FLOATING RATE SECURITIES

Fixed/Floating Rate Securities may bear interest at a rate (i) which the Issuer may elect to convert on the date specified in the Final Terms from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate or (ii) which shall automatically convert from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date specified in the Final Terms.

4.4 ZERO COUPON SECURITIES

Where a Zero Coupon Security becomes due and payable and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5.6.

4.5 PARTLY PAID SECURITIES

In the case of Partly Paid Securities, interest will accrue as aforesaid on the paid-up Nominal Value of said Securities.

4.6 SECURITIES LINKED TO AN UNDERLYING

Securities linked to an Underlying bear interest, if applicable, in accordance with the Pay-Off Formula(ae) in the Technical Annex specified in the applicable Final Terms.

4.7 ACCRUAL OF INTEREST

A. General provision

Interest shall cease to accrue for each Security on the Settlement Date, unless on such date the repayment of the principal, the settlement of the Security and/or the delivery of the relevant underlying is improperly withheld or refused; in which event, interest shall continue to accrue (both before and after a potential judgment) at the Rate of Interest, in the manner provided in this Condition, until the Reference Date.

B. Specific provisions in respect of CLNs

- (i) Upon the satisfaction of the Conditions to Settlement in relation to any Reference Entity, interest on the Credit Event Portion of the CLNs shall cease to accrue in the manner specified in the Final Terms.

The Final Terms will specify that either

- (a) interest ceases to accrue from (but excluding) the Interest Payment Date immediately preceding the Credit Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date);
- (b) or interest ceases to accrue from (but excluding) the Credit Event Determination Date.
- (ii) If the provisions of sub-paragraph (a) above apply: if a request is delivered to the Credit Derivatives Determinations Committee prior to any Interest Payment Date and the Credit Derivatives Determinations Committee does not Resolve, at least five Business Days prior to such Interest Payment Date (x) whether or not such event constitutes a Credit Event or (y) not to determine such matter, the interest amount shall not be paid on the Interest Payment Date and shall be postponed to the Postponed Interest Payment Date (as defined below). For the avoidance of doubt, any interest accrued on such interest amount (which shall accrue at the applicable overnight rate for deposits set by Exane Derivatives) which would otherwise have been paid on the relevant Interest Payment Date shall also be payable on the Postponed Interest Payment Date. If the Conditions to Settlement are satisfied and the relevant Credit Event Determination Date falls prior to the Interest Payment Date, the interest shall cease to accrue on the Interest Payment Date immediately preceding such Credit Event Determination Date.
- (iii) If the provisions of sub-paragraph (b) above apply: if a request is delivered to the Credit Derivatives Committee prior to any Interest Payment Date and the Credit Derivatives Committee does not Resolve at least five Business Days prior to such Interest Payment Date (x) whether or not such event constitutes a Credit Event or (y) not to determine such matter, the interest amount shall not be paid on the Interest Payment Date and shall be postponed to a date that is five (5) Business Days following the Suspension End Date (the **Postponed Interest Payment Date**). For the avoidance of doubt, any interest accrued on such interest amount (which shall accrue at the applicable overnight rate for deposits set by Exane Derivatives) which would otherwise have been paid on the relevant Interest Payment Date shall be payable on the Postponed Interest Payment Date. If the Conditions to Settlement are satisfied and the relevant Credit Event Determination Date falls prior to the Interest Payment Date, the interest will not be payable in respect of the full Interest Period but will be payable in respect of the period from and including the immediately preceding Interest Payment Date to but excluding the Credit Event Determination Date.

4.8 MARGIN, MAXIMUM/MINIMUM RATE OF INTEREST, INSTALMENT AMOUNTS AND SETTLEMENT AMOUNTS, COEFFICIENT MULTIPLIERS AND ROUNDING

- (i) If a Margin or Coefficient Multiplier applies to one or more Interest Period, as set out in the Final Terms, the Rates of Interest applicable to the relevant Interest Periods are calculated by adding (if it is a positive number) or by subtracting (if it is a negative number) the absolute value of such Margin at a Floating Rate, or by multiplying the Floating Rate by the Coefficient Multiplier.

- (ii) If a Minimum Rate of Interest or a Maximum Rate of Interest is stipulated in the Final Terms, each of these Rates of Interest may not exceed this maximum nor be less than this minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from these calculations shall be rounded, if necessary, to the nearest ten-thousandth (halves shall be rounded up to the next highest number), (y) all numbers shall be rounded off to seventh significant figure (halves shall be rounded up to the next highest decimal) and (z) all currency amounts that fall due and payable shall be rounded to the nearest Unit of such currency (halves are rounded up to the next highest Unit), save in the case of Yen which shall be rounded down to the nearest Unit. For the purposes of this paragraph, **Unit** means the lowest subdivision of the currency that is available as legal tender in the country of such currency.

4.9 CALCULATIONS

The interest payable in respect of each Security and for any period shall be calculated by applying the Rate of Interest to the Nominal Value of each Security, and by multiplying the result obtained by the Day Count Fraction, unless a formula for calculating interest is specified in respect of such period, in which case, the amount of interest payable in respect of the Security for such period shall be calculated in accordance with such formula.

4.10 DETERMINATION AND PUBLICATION OF THE RATES OF INTEREST, INTEREST AMOUNTS, FINAL SETTLEMENT AMOUNTS, OPTIONAL SETTLEMENT AMOUNTS, EARLY SETTLEMENT AMOUNTS AND INSTALMENT AMOUNTS

As soon as practicable after the Reference Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation, make any determination of an amount or proceed with a calculation, the Agent shall determine such rate and shall calculate the interest payable for each Nominal Value of the Securities as set out in the Final Terms during the corresponding Interest Period. It shall also calculate the relevant Final Settlement Amount, the Early Settlement Amount, the Optional Settlement Amount and the Instalment Amount, and shall obtain the corresponding quotation or make such determination or calculation that may be necessary. The Agent shall then notify the Rate of Interest and the interest payable for each Interest Period, as well as the relevant Interest Payment Date and, if necessary, the Final Settlement Amount, the Early Settlement Amount, the Optional Settlement Amount, and the Instalment Amount, to the Financial Agent, the Issuer, each of the Paying Agents, the Holders, or any other Calculation Agent named in respect of the Securities in order to make further calculations upon receipt of this information. If the Securities are listed on a stock exchange whose rules so require, the Agent shall also provide this information to said exchange as soon as possible after its determination and no later than (i) the commencement of the relevant Interest Period, if this information is determined before this date, in the case of notification of the Rate of Interest and the interest payable to this stock exchange, or (ii) in all other cases, no later than the fourth Business Day after this information is determined. When the Interest Payment Date or the Interest Period is adjusted pursuant to Condition 5, the interest payable and Interest Payment Date as published may be amended (or other appropriate measures taken by adjustment), without prior notice, in the event of an extension or reduction of the Interest Period. The determination of each rate or amount, the obtaining of each quotation, and the making of each determination or calculation by the Calculation Agent or Agents shall (except in the event of manifest error) be final and binding upon all parties.

4.11 CALCULATION AGENT AND REFERENCE BANKS

- (i) The Issuer shall ensure that, at all times, there are one or more Calculation Agents if this is specified in the Final Terms, for as long as the Securities are outstanding. In the event that several Calculation Agents are designated, any reference in these Conditions to the Calculation Agent must be interpreted as referring to each of the Calculation Agents acting pursuant to these Conditions. If the Calculation Agent is no longer able or willing to act in this capacity, or if the Calculation Agent fails to establish a Rate of Interest for any Interest Period, or to calculate the Interest Amount, the Final Settlement Amount, the Optional Settlement Amount, the Early Settlement Amount or the Instalment payable, as applicable, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment bank acting on the interbank market (or,

if applicable, on the money market, the swaps market, or the over the counter index options market) the most appropriate for the calculations and determinations to be made by the Calculation Agent (acting through its principal offices in Paris or Luxembourg, as applicable, or any other agency actively operating on this market) to act in this capacity in its place. The Calculation Agent may not resign from its duties unless a new calculation agent has been appointed under the aforesaid conditions.

- (ii) The Issuer shall ensure that, at all times, there are at least two Reference Banks, if this is specified in the Final Terms, for as long as Securities are outstanding. If any Reference Bank is no longer able or willing to act as Reference Bank, the Issuer shall then appoint another Reference Bank to act in this capacity in its place.

5. SETTLEMENT OF SECURITIES

This Condition shall apply as follows:

- Conditions 5.1, 5.2 and 5.3 will only apply to Certificates;
- Conditions 5.4, 5.5 and 5.6 will apply to Certificates, Hybrid Securities and CLN;
- Condition 5.7 to Condition 5.14 will apply to Certificates and Hybrid Securities. Accordingly, for the avoidance of doubt, when used in these Conditions, Securities will mean and encompass Certificates and Hybrid Securities ;
- Condition 5.15 will apply to Certificates, Hybrid Securities and CLN;
- Conditions 5.16 to 5.18 will only apply to Certificates.

5.1 SETTLEMENT CONDITIONS

A. Cash Settlement

Each Certificate resulting in a Cash Settlement shall be settled by the Issuer on the Settlement Date (i) at the Final Settlement Amount or (ii) in the case of Certificates governed by Condition 5.3 hereafter at the last Scheduled Instalment Amount.

B. Physical Settlement

Each Certificate resulting in Physical Settlement shall be settled by the Issuer on the Settlement Date by delivery of the Quantity of Shares, Fund Units or Debt Instruments specified or determined as indicated in the Conditions and the Final Terms. Physical Settlement shall be effected by the delivery of Shares, Fund Units or Debt Instruments. No rights to dividends on the Shares, Fund Units or Debt Instruments shall accrue for the benefit of the Certificate Holder before the Settlement Date, unless the Final Terms provide otherwise.

The Certificates resulting in Physical Settlement held by the same Certificate Holder shall be aggregated in order to determine the number of Shares, Fund Units or Debt Instruments to which said Certificates entitle the Holder. No fractional Share, Fund Unit or Debt Instrument shall be transferred by the Issuer; therefore, in the event of fractional shares, units or debt instruments, the Issuer shall deliver a whole number of Shares, Fund Units or Debt Instruments immediately lower than the Quantity of Shares, Fund Units or Debt Securities, and shall pay a cash balance to each relevant Holder, in place and instead of this fractional Share, Fund Unit or Debt Instrument, calculated by reference to the trading price of the Share or of the Debt Instrument or the Net Asset Value of the Fund on the Valuation Date and Settlement Date and in the Settlement Currency.

If an event outside the Issuer's control prevents the transfer of the Shares, Fund Units or Debt Instruments (the **Delivery Failure**), the delivery of the other Shares, Fund Units or Debt Instruments held as part of a Multi Underlying Certificate shall not be affected.

The Physical Settlement of the Shares, Fund Units or Debt Instruments affected by the Delivery Failure shall be made on the first Scheduled Trading Day following the day on which the Delivery Failure has disappeared, unless a Delivery Failure continues during each of the five (5) Scheduled Trading Days (or any other period specified in the Final Terms) immediately following the initial date which should have been, if there were no Delivery Failure, the Settlement Date. In such a case, the Physical Settlement shall be replaced by a Cash Settlement to each relevant Holder. The Final Settlement Amount will be equal to the value of the closing price of the Shares or of the Debt Instruments or Net Asset Value of the Fund Units affected by the Delivery Failure on the fifth Scheduled Trading Day immediately following the initial day which, in the absence of the Delivery Failure, would have been the Settlement Date, and will be paid on the Business Day following said date instead and in place of the Shares, Fund Units or Debt Instruments affected by the Delivery Failure.

5.2 FINAL SETTLEMENT

Unless it has already been settled, redeemed and cancelled as provided below, each Certificate shall be settled at the Final Settlement Amount on the Maturity Date.

5.3 SETTLEMENT BY INSTALMENTS

Unless it has been previously settled, redeemed and cancelled as provided in this Condition 18 each Certificate the conditions of which provide for Instalment Dates and Instalment Amounts shall be partially settled on each Instalment Date at the related Instalment Amount specified in the Final Terms. The Nominal Value of each of these Certificates shall be reduced by the corresponding Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Value of such Certificate, shall be reduced accordingly), as of the Instalment Date, unless the payment of the Instalment Amount is improperly withheld or refused on the date scheduled for such payment.

5.4 SETTLEMENT OPTION AT THE ISSUER'S DISCRETION (CALL OPTION), OPTION EXERCISE AT THE ISSUER'S DISCRETION AND PARTIAL SETTLEMENT

If a settlement option is specified in the Final Terms, the Issuer may, if applicable from the Reference Date for the Issuer, subject to the laws and regulations in force, and on giving not less than ten (10) and not more than thirty (30) Business Days' irrevocable notice to the Holders in accordance with Condition 19 (or any other notice period specified in the Final Terms), settle all or, if applicable, some of the Certificates on the Optional Settlement Date. Each of these settlements shall be made at the Optional Settlement Amount together with the interest accrued until the date fixed for settlement. Each of these settlements must relate to Certificates for which the amount in principal is at least equal to the Minimum Principal Amount payable as indicated in the Final Terms, and may not exceed the Maximum Principal Amount payable as specified in the Final Terms.

In the case of a partial settlement or partial exercise of its Option by the Issuer, settlement shall be effected by reduction of the Nominal Value of the Securities in proportion to the nominal amount paid.

Furthermore, if a trigger option is indicated as being applicable in the Final Terms and an Option Threshold Trigger is provided in the Final Terms, the Issuer may, at its discretion and subject to the laws and regulations in force, repurchase all of the Securities. For this purpose, the Issuer will send an irrevocable notice to the Holders in accordance with Condition 19, such notice being due to occur at the least ten (10) Business Days, and not later than thirty (30) Business Days, before the option exercise date. Each Security will be repurchased at its fair market value as determined by the Calculation Agent.

5.5 SETTLEMENT OPTION AT THE HOLDERS' DISCRETION (PUT OPTION), OPTION EXERCISE AT THE HOLDERS' DISCRETION

If a Holder's put option or any other option is specified in the Final Terms, the Issuer must, at the Holder's request, and upon the Holder giving irrevocable notice to the Issuer, settle this Security on the Optional Settlement Date or Dates at the Optional Settlement Amount plus, if applicable, interest accrued up to the date fixed for settlement.

To exercise such option that may be specified in the Final Terms, the Holder, if applicable from the Reference Date for the Holder, must send a duly completed option exercise notice (the **Exercise Notice**) to the Issuer by e-mail to the following address: mo-notifications@exane.com. The form of Exercise Notice may be obtained during usual business hours from the relevant Paying Agent or the Registrar, as applicable. The date of exercise of the Holders' option shall be deemed to be the fifth Business Day following confirmation by the Issuer by return e-mail of receipt of the Exercise Notice. The Holder shall transfer, or cause to be transferred, the Securities that are to be settled to the account of the Principal Paying Agent as specified in the Exercise Notice. Any such transfer of Securities shall be definitive, except in case of prior written consent to the contrary by the Issuer.

5.6 EARLY SETTLEMENT OF ZERO COUPON SECURITY

A. Early settlement Amount

In the case of Zero Coupon Securities, the Early settlement Amount is calculated at an amount (the **Amortised Face Amount**) which shall be equal to the sum of:

the Reference Price specified in the applicable Final Terms; and

the product of the accrual yield (the **Accrual Yield**) specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for settlement or (as the case may be) the date upon which such note becomes due and repayable.

B. Late Payment on Zero Coupon Securities

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon Security upon settlement of such Zero Coupon Security pursuant to paragraph 5.2, 5.4, 5.5 and 5.18 of this Condition or upon its becoming due and repayable as provided in Condition 5 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Security shall be the amount calculated as provided in the paragraph above as though the references therein to the date fixed for the settlement or the date upon which the Zero Coupon Security becomes due and repayable were replaced by references to the date which is the earlier of:

the date on which all amounts due in respect of the Zero Coupon Security have been paid; and

five (5) days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Securities have been received by the Principal Paying Agent and notice to that effect has been given to the Holders in accordance with Condition 19.

5.7 MARKET DISRUPTION EVENT AND ADJUSTMENTS APPLICABLE TO SHARE OR SHARES BASKET

A. Definitions

Basket means a basket comprising Shares of each Company, as specified in the applicable Final Terms, having the relevant Weighting specified in the applicable Final Terms..

Company means the issuer of a Share or, as the case may be, an Underlying Share, as specified in the applicable Final Terms, subject to adjustment at any time in accordance with paragraph C below.

Deposit Agreement means the contract or other financial instrument constituting the Depository Receipt, as amended or supplemented from time to time in accordance with its terms.

Depository Receipt means a negotiable financial instrument having, as at the Issue Date, the ISIN code (*International Securities Identification Number*) or any other identification code specified as such in the applicable Final Terms, issued by the DR Sponsor under the relevant Deposit Agreement, evidencing ownership of the specified number of Underlying Shares of the Company on deposit with a depository in the Issuer's domestic market and quoted in the DR Specified Currency, subject to adjustment or replacement at any time, in accordance with paragraph C below.

DR Specified Currency means, for a Depository Receipt, the currency specified in the applicable Final Terms.

DR Sponsor means the depository bank issuing the Depository Receipt, specified in the applicable Final Terms.

ETF Administrator means the administrator, trustee or similar person with principal administrative responsibility for such ETF, specified as such in the applicable Final Terms, subject to adjustment at any time, in accordance with paragraph C below.

ETF Advisor means the person appointed to act as investment manager or investment adviser of the ETF, as specified in the applicable Final Terms, subject to adjustment at any time in accordance with the provisions of paragraph C below.

ETF Underlying Index means the reference index, specified as such in the applicable Final Terms, to which such ETF is linked, subject to adjustment at any time in accordance with the provisions of paragraph C below.

ETF Unit means a unit of account of ownership in the ETF.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Business Day (All Shares Basis) means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day (Per Share Basis) means, in respect of a Basket of Shares, any Scheduled Trading Day on which the relevant Exchange and Related Exchange associated with such Share are open for trading during their respective regular trading session(s), notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day (Single Share Basis) means any Scheduled Trading Day on which the relevant Exchange and Related Exchange, if applicable, are open for trading during their respective regular trading session(s), notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day means either (i) in the case of a Share, an Exchange Business Day (Single Share Basis), or (ii) in the case of a Basket of Shares (a) an Exchange Business Day (All Share Basis) or (b) an Exchange Business

Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that if no Exchange Business Day is specified in the relevant Final Terms, Exchange Business Day (All Share Basis) shall be deemed to apply.

Exchange means, for a Share, each exchange of quotation system specified as such in the Final Terms for a relevant Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

Exchange Traded Fund or ETF means a fund or other collective investment vehicle specified as such in the applicable Final Terms, whose ETF Units are listed on the Exchange, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Hedged Position means the purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Initial Observation Date shall have the meaning given thereto in the Technical Annex.

Initial Price means the price per Share specified in the applicable Final Terms in the Initial Observation Date or the Initial Determination Date, as the case may be (such dates being defined in the Technical Annex) or, if no price is specified in the applicable Final Terms, the price of such Share determined by the Calculation Agent at the Valuation Time on the relevant Exchange on the Initial Observation Date or the Initial Determination Date, as the case may be, subject to adjustment at any time in accordance with the provisions of paragraph C below.

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company, (A) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Company become legally prohibited from transferring them.

New Shares mean the securities exchanged or offered for Shares pursuant to a Cash/Exchange Tender Offer, the securities of the new company or new fund in the case of a Merger or the securities resulting from a Spin-off (as the case may be). Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original securities must be substituted for several different categories of securities, the Calculation Agent may decide to substitute for the relevant securities one (or more) of such securities (the **Selected Security(ies)**). In this case, the value of the security or securities not selected (the **Excluded Security(ies)**) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Security(ies), at the Calculation Agent's choice, which shall be calculated by the Calculation Agent on the basis of the official closing price of both the Selected Security or Securities and the Excluded Securities, recorded simultaneously on the Event Effective Date. If the substituted security or securities include one or more unlisted securities, the Calculation Agent shall determine the fair market value of such unlisted security or securities on the Event Effective Date.

Quantity means the number of Shares in respect of a Security, as specified in the applicable Final Terms.

Related Exchange means each exchange or quotation system specified as such for a relevant Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final

Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

Scheduled Closing Time means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the relevant Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions.

Scheduled Trading Day (All Shares Basis) means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange associated with all of the Shares comprised in the Basket of Shares are scheduled to be open for trading during their regular trading session(s).

Scheduled Trading Day (Per Share Basis) means, in respect of a Basket of Shares, any day on which the relevant Exchange and Related Exchange associated with such Share are scheduled to be open for trading during their regular trading session(s).

Scheduled Trading Day (Single Share Basis) means any day on which the relevant Exchange and relevant Related Exchange are scheduled to be open for trading during their regular trading session(s).

Scheduled Trading Day means either (i) in the case of a Share, Scheduled Trading Day (Single Share Basis), or (ii) in the case of a Basket of Shares, (a) Scheduled Trading Day (All Share Basis) or (b) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that if no Scheduled Trading Day is specified in the relevant Final Terms, Scheduled Trading Day (All Share Basis) shall be deemed to apply.

Settlement Cycle means the period expressed as a number of Share Clearing System Business Days following a transaction on the Share on the Exchange in respect of which settlement will normally take place within the rules of such Exchange.

Share Clearing System Business Day means any day on which the Share Clearing System is open (or would have been open, but for the occurrence of a Share Clearing System Settlement Disruption Event) for the acceptance and execution of settlement instructions.

Share Clearing System means the principal domestic clearing system normally used to settle transactions on the Share at the relevant time, as determined by the Calculation Agent.

Share Clearing System Settlement Disruption Event means an event outside the control of the Issuer, as a result of which (i) the Share Clearing System cannot clear the transfer of the Share or (ii) the Share Clearing System ceases to clear all or any of its shares.

Share means, in the case of Securities issue on a single Share, the share or, as the case may be, an ordinary share in the share capital of the Company, a Depository Receipt representing ownership of the Underlying Share, an ETF Unit (*Exchange Traded Fund*) or, in the case of a Basket of Shares, each share, ordinary share in the share capital of the Company, Depository Receipt representing ownership of the Underlying Share, ETF Unit comprised in the Basket of Shares, as specified in the applicable Final Terms, having or each having on the Issue Date the ISIN code (*International Securities Identification Number*) or any other identification code specified as such in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Substitute Share means a share (i) which is not the Share of the relevant Security and (ii) which has, in the opinion of the Calculation Agent, similar features to those of the excluded Share (sector of activity, currency, market capitalisation, listing method, liquidity, volatility or any other pertinent feature in the opinion of the Calculation Agent).

Substitution means cessation by the Calculation Agent of indexation of the Securities to the Share and its replacement with a Substitute Share or in the case of a Basket of Shares, crystallisation of the fair market value of the Share on the relevant Event Effective Date.

Underlying Share means the share issued by the Company to which the Depositary Receipt is linked, specified as such in the applicable Final Terms.

Valuation Time means the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Determination Date, as the case may be, unless otherwise specified in the relevant Final Terms. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Weighting or W(i) means, in respect of each Share comprised in the Basket of Shares, the percentage or fraction specified, in respect of such Share, in the applicable Final Terms.

B. Market Disruption Event

(i) Definitions

Disrupted Day means, in relation to Securities issue on a single Share or a Basket of Shares, in respect of a Share, any Scheduled Trading Day on which the Exchange or, as the case may be, the Related Exchange fails to open for trading during its regular trading session, or any Scheduled Trading Day on which a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of the Exchange or, as the case may be, the Related Exchange prior to its Scheduled Closing Time, unless such early closing time has been announced by such Exchange or by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the relevant Exchange or, as the case may be, the Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange Disruption means any event (other than an Early Closure or a Trading Disruption) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Share on the Related Exchange.

Market Disruption Event means, in the case of Securities issue on a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which the Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date, an Observation Date or a Determination Date, as the case may be.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or, as the case may be, the Related Exchange or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise, (i) relating to such Share on the relevant Exchange, or (ii) in futures or options contracts relating to such Share on the relevant Related Exchange.

(ii) Consequences of a Market Disruption Event on a Valuation Date

If any Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or Determination Date) is a Disrupted Day, then:

(A) in the case of a Security on a single Share, such Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Share at the Valuation Time on such eighth Disrupted Day.

(B) in the case of a Security on a Basket of Shares, the Valuation Date for all Shares of the Basket of Shares, included those not affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day for the Share affected by the occurrence of a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date for all Shares of the Basket of Shares, including the Share affected by the occurrence of a Disrupted Day, notwithstanding that such day is a Disrupted Day for the relevant affected Share and (2) the Calculation Agent shall determine in good faith the fair value of that affected Share at the Valuation Time on such eighth Disrupted Day.

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, if any Market Disruption Event occurs on any date which, but for the occurrence of a Market Disruption Event, would have been a Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Market Disruption Event, in accordance with Condition 19.

C. Adjustment

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Share (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or Determination Date), continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively specified in the Final Terms:

1. the same method as that applied by the Related Exchange (if applicable) or any other relevant authority (the **Related Exchange Method**), or
2. the methods described in paragraphs (ii), (iii), (iv) *et seq.* to adapt the Securities to the modifications to the Share or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Related Exchange Method or Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities in the case of Cash Settlement or, if applicable, the quantity of Shares to be delivered in the case of Physical Delivery (the **Deliverable Shares**), as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value, in the case of Cash Settlement or, if applicable, by delivery of the relevant quantity of Deliverable Shares, in the case of Physical Settlement (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value, in the case of Cash Settlement or, if applicable, delivery of the relevant quantity of Deliverable Shares, in the case of Physical Settlement shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the "**Capitalised Fair Market Value**" means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustments methods applicable to Shares

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

To this end, the Events applicable to a Share are defined as follows and include the Potential Adjustment Event, Cash/Exchange Tender Offer, Merger, Spin-off, Nationalisation, Insolvency, Change of Listing - compartment or Exchange, De-listing, Correction of Share price, Change in Law, Insolvency Filing, Hedging Disruption and Increased Cost of Hedging.

(a) *Potential Adjustment Event*

In the case of a Potential Adjustment Event, the Calculation Agent may adjust the new Quantity of Shares to which each Security henceforth relates.

Potential Adjustment Event means any of the following:

- (1) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;;
- (2) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another company 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 (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (3) an extraordinary dividend which characterization of or portion thereof shall be determined by the Calculation Agent;
- (4) a call by the Company in respect of relevant Shares that are not fully paid
- (5) a repurchase by the Company or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (6) in respect of the Company, 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 settlement of such rights;
- (7) a distribution of reserves in cash or in listed shares held in the Company's portfolio or a redemption of share capital; or
- (8) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) Cash/Exchange Tender Offer

(1). Definitions

Cash/Exchange Tender Offer means any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person (the **Offeror**) 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 % and less than 100 % 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.

Successful Cash/Exchange Tender Offer means a Cash/Exchange Tender Offer the results of which have been published by the relevant Exchange authorities.

Offer Period means the period from (and including) the date on which the Cash/Exchange Tender Offer is officially announced by the Offeror in whatever manner to the competent supervisory authorities in accordance with applicable laws and regulations in the relevant jurisdiction, up to (but excluding) the date of the Tender Offer Date.

(2). Consequences

If an Offer Period commences, the Calculation Agent may, having examined its characteristics and relevant practical arrangements, elect (a) to maintain the Share or (b) replace it with the share issued by the Offeror.

If the Calculation Agent has not made an adjustment during the Offer Period in accordance with the paragraph above and if the Company is the subject of a Successful Cash/Exchange Tender Offer (the **Tender Offer**), the Calculation Agent may elect to (a) maintain the Share, (b) replace the Share with New Shares or (c) implement Substitution of the Share.

(c) Merger

(1). Definitions

Merger means, in respect of any relevant Shares, any:

- (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange of all of such Shares outstanding);
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 % of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person);
- (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger"),

in each case if the Event Effective Date is on or before, (A) in the case of a Security with Physical Settlement the Settlement Date, or (B) in the case of a Security with Cash Settlement, the last occurring Valuation Date.

(2). Consequences

In the event that a Merger occurs in respect of a Share, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to (a) replace the Share with New Shares or (b) implement Substitution of the relevant Share.

(d) ***Spin-off***

In the event of a spin-off of the Company (**Spin-off**), the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to (a) replace the Share with New Shares or (b) implement Substitution of the relevant Share.

(e) ***Nationalisation***

(1). Definitions

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

(2). Consequences

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share if Nationalisation occurs in respect of a Share.

(f) ***Insolvency***

(1). Definitions

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company, (A) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Company become legally prohibited from transferring them.

(2). Consequences

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share in the event of an Insolvency.

(g) ***Change of Listing - compartment or Exchange***

(1). Definitions

Change of Listing - compartment or Exchange means that the Exchange announces that pursuant to the rules of such Exchange, the Shares (A) cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger or Tender Offer), but are 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) which is according to the Calculation Agent similar to the original Exchange or (B) cease (or will cease) to be listed, traded or publicly quoted on the original compartment Exchange for any reason (other than a Merger or Tender Offer), and are immediately re-listed, re-traded or re-quoted on another compartment of the Exchange.

(2). Consequences

In the event of a Change of Listing - compartment or Exchange in respect of a Share, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share.

(h) De-listing

(1). Definitions

Delisting means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger or Tender Offer), and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any Member State of the European Union).

(2). Consequences

If a Delisting occurs, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share.

(i) Correction of Share price

If a price published on the Exchange and used by the Calculation Agent for the purposes of any calculation or determination (the **Initial Determination**) is subsequently corrected and if the correction (the **Corrected Value**) is published on the relevant Exchange within one relevant Settlement Cycle following the Initial Determination, the Calculation Agent shall notify the Corrected Value to the Issuer as soon as reasonably practicable and shall determine the relevant price of the Share (the **New Determination**) using the Corrected Value.

If the result of the New Determination is different than the result of the Initial Determination, the Calculation Agent may, to the extent that it deems necessary, adjust all relevant terms and conditions of the relevant Securities accordingly.

(j) Change in Law

Change in Law means that, on or after the Issue Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has or will become illegal or contrary to any Applicable Regulation for the Hedging Party, to hold, acquire or dispose of Hedged Positions in relation to its Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share if a Change in Law occurs.

(k) Insolvency Filing

Insolvency Filing means 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 organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Company shall not be deemed an Insolvency Filing.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share if an Insolvency Filing occurs.

(l) Hedging Disruption

Hedging Disruption means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share if a Hedging Disruption occurs

(m) Increased Cost of Hedging

Increased Cost of Hedging means that the Hedging Party would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk of entering into and performing its obligations with respect to the relevant Security, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increased Cost of Hedging.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Share if an Increased Cost of Hedging occurs.

(iii) Additional methods of adjustment for Depository Receipts

- (i) If the Share specified in the applicable Final Terms is an Underlying Share (Depository Receipt), the provisions of paragraph (ii) above (*Adjustment methods applicable to Shares*) shall apply, with references to Share being replaced by references to the Underlying Share.
- (ii) If the Deposit Agreement is terminated, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Underlying Share.

(iv) Additional methods of adjustment for ETFs

If the Share specified in the applicable Final Terms is an ETF Unit, the following provisions shall apply.

(a) Adjustment of the ETF Underlying Index

The Calculation Agent may implement Substitution of the relevant Share if (i) the sponsor of the ETF Underlying Index materially amends the formula or method for calculating the ETF Underlying Index or makes any other material modification to the ETF Underlying Index (other than any modification prescribed in such formula or method in order to maintain the ETF Underlying Index in the event of change to any of the shares comprised in the ETF Underlying Index, capitalisation or any other routine event), or (ii) the sponsor of the ETF Underlying Index fails to calculate and publish the ETF Underlying Index and no successor index using, in the opinion of the Calculation Agent, a substantially similar formula and calculation method to that used for calculating the ETF Underlying Index is published, resulting in a material change to the price of the Shares.

(b) Change in Investment Policy

The Calculation Agent may implement Substitution of the relevant Share if the ETF Advisor of the Company makes or announces its intention to make a change to the investment objectives, risk profile or other investment guidelines

of the Company, in any material respect, or makes any other substantial change to the terms and conditions of the Company, to the extent that the Shares cease, or are reasonably likely to cease, to replicate the ETF Underlying Index.

(c) Liquidation

The Calculation Agent may implement Substitution of the relevant Share if due to the winding-up or voluntary or judicial liquidation of the ETF Administrator, the Shares have to be transferred to a manager, trustee, liquidator or other similar official, or the holders of the Shares are legally prohibited from transferring them.

(v) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice and any Physical Settlement pursuant to Condition 19 shall be made as soon as possible.

5.8 MARKET DISRUPTION EVENTS AND ADJUSTMENTS FOR INDEX OR INDEX BASKET

A. Definitions

(i) Common definitions for Securities linked to a Mono-Exchange Index, a Multi-Exchange Index and a Proprietary Index

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Business Day means either (i) in the case of a single Index, an Exchange Business Day (Single Index Basis), or (ii) in the case of an Index Basket (a) an Exchange Business Day (All Indices Basis) or (b) an Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no Exchange Business Day is specified in the relevant Final Terms, Exchange Business Day (All Indices Basis) shall be deemed to apply.

Hedged Position means the purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Index Basket means a basket comprising each Index specified in the applicable Final Terms, each having, if necessary, the relevant Weightings specified in the applicable Final Terms.

Index means the index (or the indices in case of an Index Basket) to which the Securities are linked, as specified in the applicable Final Terms, as calculated or published by the relevant Sponsor, subject to adjustment or a replacement at any time, in accordance with paragraph C below.

Quantity means the number of Indices for a Security, as specified the applicable Final Terms.

Related Exchange means (except for Proprietary Index for which the definition of Related Exchange as specified in Condition 5.8 A (iv) will apply) each exchange or quotation system specified as such for a relevant Index in the applicable Final Terms to which trading in futures or options contracts relating to such Index are principally traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

Scheduled Closing Time means, in respect of an Exchange or a Reference Market, as the case may be, or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Reference Market, as the case may be, or Related Exchange on such Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions.

Scheduled Trading Day means (i) in the case of a single Index, a Scheduled Trading Day (Single Index Basis), or (ii) in the case of an Index Basket (a) a Scheduled Trading Day (All Indices Basis) or (b) a Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no Scheduled Trading Day is specified in the relevant Final Terms, Scheduled Trading Day (All Indices Basis) shall be deemed to apply.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date, an Observation Date or a Determination Date, as the case may be.

Sponsor means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly

or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the entity specified for such Index in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Substitute Index means an index (i) which is not the Index of the Security and (ii) which, in the opinion of the Calculation Agent, has similar characteristics to those of the excluded Index (geographical zone, business sector, currency, liquidity of futures and/or options contracts used for hedging, dividend calculation methodology or any other relevant parameter in the opinion of the Calculation Agent).

Substitution means cessation by the Calculation Agent of indexation of the Securities to the Index and its replacement with a Substitute Index or in the case of an Index Basket, crystallisation of the fair market value of the Index on the relevant Event Effective Date.

Weighting or **Wi** means, for each Index comprised in the Index Basket, the percentage or fraction specified as such, in respect of such Index, in the applicable Final Terms.

(ii) Specific definitions for Securities linked to a Mono-Exchange Index

Exchange Business Day (All Indices Basis) means, with respect to any Indices comprised in an Index Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions in respect of such Indices, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Per Index Basis) means, in respect of an Index comprised in an Index Basket, any Scheduled Trading Day on which the Exchange and the Related Exchange of such Index are open for trading during their respective trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Single Index Basis) means any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Exchange means each exchange or quotation system specified as such for the Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in securities comprised in such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprised in such Index on such temporary substitute exchange or quotation system as on the original Exchange).

Mono-Exchange Index means any Index specified as such in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Scheduled Trading Day (All Indices Basis) means, in respect of any Indices comprised in an Index Basket, any day on which each Exchange and each Related exchange are scheduled to be open for trading for their respective regular trading sessions in respect of such Indices.

Scheduled Trading Day (Per Index Basis) means, in respect of an Index comprised in an Index Basket, any day on which the Exchange and the Related Exchange of such Index are scheduled to be open for trading during for their respective regular trading sessions.

Scheduled Trading Day (Single Index Basis) means any day on which the Exchange and the Related Exchange are scheduled to be open for trading during for their respective regular trading sessions.

Valuation Time means (a) the Valuation Time specified in the applicable Final Terms; or (b) if no such time is specified in the applicable Final Terms, the Scheduled Closing Time on the Exchange on the relevant Valuation Date, Observation Date and/or Determination Date, as the case may be. If the Exchange closes prior to its Scheduled

Closing Time and the Valuation Time falls after the actual closing time for a regular trading session, then the Valuation Time shall be the actual closing time.

(iii) Specific definitions for Securities linked to a Multi-Exchange Index

Component means, for a Multi-Exchange Index, each security in such Multi-Exchange Index.

Exchange Business Day (All Indices Basis) means, with respect to any Indices comprised in an Index Basket, any Scheduled Trading Day on which (a) the Sponsor publishes the level of such Multi-Exchange Indices and (b) each Related Exchange (if applicable) is open for trading during its regular trading session for such Multi-Exchange Indices, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

Exchange Business Day (Per Index Basis) means, in respect of an Index comprised in an Index Basket, any Scheduled Trading Day on which (a) the Sponsor publishes the level of such Multi-Exchange Index and (b) the Related Exchange is open for trading during its regular trading session for such Multi-Exchange Index, notwithstanding such Related Exchange closings prior to its Scheduled Closing Time.

Exchange Business Day (Single Index Basis) means any Scheduled Trading Day on which (a) the Sponsor publishes the level of the Multi-Exchange Index and (b) the Related Exchange, if applicable, is open for trading during its regular trading session for such Multi-Exchange Index, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

Exchange means for each Component, the principal stock exchange on which such Component is principally traded, as determined by the Calculation Agent.

Multi-Exchange Index means any Index specified as such in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Scheduled Trading Day (All Indices Basis) means, in respect of any Indices comprised in an Index Basket, any day on which (a) the Sponsor is scheduled to publish the level of such Multi-Exchange Indices and (b) each Related Exchange is scheduled to be open for trading for its regular trading session for such Multi-Exchange Indices.

Scheduled Trading Day (Per Index Basis) means, in respect of an Index comprised in an Index Basket, any day on which (a) the Sponsor is scheduled to publish the level of such Multi-Exchange Index and (b) the Related Exchange is scheduled to be open for trading for its regular trading session for such Multi-Exchange Index.

Scheduled Trading Day (Single Index Basis) means a day on which (a) the relevant Sponsor is scheduled to publish the level of such Multi-Exchange Index and (b) the relevant Related Exchange, if any, is scheduled to be open for trading for its regular trading session for such Multi-Exchange Index.

Valuation Time means (a) the Valuation Time specified in the applicable Final Terms; or (b) if not so specified in the applicable Final Terms, (i) for the purposes determining whether a Market Disruption Event has occurred (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component and (y) in respect of any futures or options contracts of the Index, the close of trading on the Related Exchange; and (ii) in all other cases, the time at which the official closing level of the Index is calculated and published by the Sponsor.

(iv) Specific definitions for Securities linked to a Proprietary Index

Closing Level means the official level of the Proprietary Index, as published by the Sponsor on a relevant Scheduled Trading Day.

Debt Security Instrument means a Debt Instrument (as such term is defined in Condition 5.14) that forms part of a Proprietary Index.

Equity Instrument means a Share (as such term is defined in Condition 5.7) that forms part of a Proprietary Index.

Exchange Business Day (All Indices Basis) means, with respect to any Proprietary Indices comprised in an Index Basket, any Scheduled Trading Day on which the Sponsor publishes the Closing Level of such Proprietary Indices.

Exchange Business Day (Per Index Basis) means, in respect of a Proprietary Index comprised in an Index Basket, any Scheduled Trading Day on which the Sponsor publishes the Closing Level of such Proprietary Index.

Exchange Business Day (Single Index Basis) means in respect of a Proprietary Index any Scheduled Trading Day on which the Sponsor publishes the Closing Level of the Proprietary Index pursuant to the Index Rules.

Fund Instrument means a Fund Unit (as such term is defined in Condition 5.10) that forms part of a Proprietary Index.

Futures Contract Instrument means a Futures Contract (as such term is defined in Condition 5.11) that forms part of a Proprietary Index.

Index Advisor means the entity responsible for providing the Sponsor and/or the Index Calculation Agent, with the information necessary for calculating and maintaining the Proprietary Index, in particular with respect to selection of Index Components, as specified in the applicable Final Terms.

Index Component means an Equity Instrument, a Fund Instrument, an Index Instrument, a Futures Contract Instrument and/or a Debt Security Instrument, as the case may be.

Index Instrument means an Index (as such term is defined in Condition 5.8 and which may encompass, for the avoidance of doubt, a Proprietary Index) that forms part of a Proprietary Index.

Index Rules means the methodology of the Proprietary Index described in the sections entitled General Methodology of Exane Indices and Specific Methodology of Exane Indices, as amended, supplemented or replaced from time to time.

Proprietary Index means any Index being one of the proprietary indices appearing in the sections entitled Specific Methodology of Proprietary Indices and as specified in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Reference Market means the principal market or quotation system on which, as the Calculation Agent may determine in good faith, the relevant Index Components are traded and which offers the greatest liquidity for such Index Components, or any successor or replacement market or quotation system.

Related Exchange means each market or quotation system on which trading has a material effect (as determined by the Calculation Agent) on the market as a whole for futures and options contracts on the relevant Index Components, or any successor or replacement market or quotation system.

Scheduled Trading Day (All Indices Basis) means, in respect of any Proprietary Indices comprised in an Index Basket, any day on which the Sponsor is scheduled to publish the Closing Level of such Proprietary Indices.

Scheduled Trading Day (Per Index Basis) means, in respect of a Proprietary Index comprised in an Index Basket, any day on which the Sponsor is scheduled to publish the Closing Level of such Proprietary Index.

Scheduled Trading Day (Single Index Basis) means, in respect of a Proprietary Index, any day on which the Sponsor is scheduled to publish the Closing Level of the Proprietary Index pursuant to the Index Rules.

Substitute Proprietary Index means an index (i) which is not the relevant Proprietary Index and (ii) which, in the opinion of the Calculation Agent, has similar characteristics to those of the excluded Proprietary Index (strategy, currency, asset class, geographical or economic sector).

Valuation Time means, unless provided otherwise in the applicable Final Terms, the time at which the Closing Level is published by the Sponsor pursuant to the Index Rules.

B. Market Disruption Event

(i) Definitions

(a) *Specific definitions for Securities linked to a Mono-Exchange Index*

Disrupted Day means a Scheduled Trading Day on which (i) the relevant Exchange and/or Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the Index, or, if applicable, of the Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered into the Exchange or, if applicable, Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Exchange Disruption means any event (other than an Early Closure or Trading Disruption) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent or more of the level of the Index or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index, on any relevant Related Exchange.

Market Disruption Event means the occurrence or existence (i) of a Trading Disruption, (ii) an Exchange Disruption, which the Calculation Agent determines, in each case, is material at any time during the one hour period that end at the relevant Valuation Time, or (iii) an Early Closure. To determine whether a Market Disruption Event exists for such Index at any time, if a Market Disruption Event occurs in respect of any security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such security, and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

Trading Disruption means any suspension or limitation on trading imposed by the Exchange or, if applicable, the relevant Related Exchange or otherwise (other than an Early Closure or an Exchange Disruption), and whether by reason of movements in price exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise, (i) on any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on the relevant Related Exchange.

(b) *Specific definitions for Securities linked to a Multi-Exchange Index*

Disrupted Day means a Scheduled Trading Day on which (i) the Sponsor does not publish the Index level or (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of the Exchange relating to any Component or of the Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange (as the case may be) on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the Exchange or, if applicable, Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange Disruption means any event (other than an Early Closure or Trading Disruption) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or

obtain market values for: (i) any Component on the Exchange in respect of such Component; (ii) futures or options contracts relating to such Index, on the Related Exchange.

Market Disruption Event means either:

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

1. of a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Exchange on which such Component is principally traded; and/or

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

3. of an Early Closure in respect of such Component; and

(b) the aggregate of all Components in respect of which a Trading Disruption and/or an Exchange Disruption and/or an Early Closure occurs or exists, comprises 20 percent or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption, (b) an Exchange Disruption, which the Calculation Agent determines, in each case, is material, at any time during the one-hour period that ends at the Valuation Time on the Related Exchange, or (iii) an Early Closure, in each case in respect of such futures or options contracts.

To determine whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, using, in each case, the official opening weightings, as published by the Sponsor as part of the market “opening data”.

Trading Disruption means any suspension or limitation on trading imposed by the Exchange or, if applicable, the relevant Related Exchange or otherwise (other than an Early Closure or Exchange Disruption), and whether by reason of movements in price exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component or (ii) futures or options contracts relating to such Index, on the Related Exchange.

(c) *Specific definitions for Securities linked to a Proprietary Index*

Debt Security Disruption Event means, in respect of a Debt Security Instrument:

(a) any suspension or limitation on trading imposed by the Reference Market or

(b) any suspension or limitation on trading on listed options contracts or futures contracts relating to the Debt Security Instrument, which the Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time or

(c) any suspension of publication on the relevant screen page of the Debt Security Instrument or the unavailability of *clean bid* prices from at least two market participants.

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 (i) a Trading Disruption, (ii) an Exchange Disruption, which the Calculation Agent determines is material and which occurs at

any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure. For the purpose hereof:

- **Early Closure** means the closure, on any Exchange Business Day, of the Reference Market or, as the case may be, the Related Exchange prior to its Scheduled Closing Time, unless such early closing time has been announced by such Reference Market or by such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Reference Market or Related Exchange, as the case may be, on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the relevant Reference Market or, as the case may be, the Related Exchange system for execution at the Valuation Time on such Exchange Business Day.
- **Exchange Disruption** means any event (other than an Early Closure or a Trading Disruption) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Equity Instruments on the relevant Reference Market, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Equity Instrument on the Related Exchange.
- **Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Reference Market or, as the case may be, the Related Exchange or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits permitted by the relevant Reference Market or relevant Related Exchange or otherwise, (i) relating to such Share on the relevant Reference Market, or (ii) in futures or options contracts relating to such Equity Instrument on the relevant Related Exchange.

Fund Disruption Event means, in respect of a Fund Instrument, the occurrence or existence of (i) Valuation Disruption, (ii) a Settlement Disruption or (iii) a Liquidity Disruption, that the Calculation Agent determines is material. For the purpose thereof:

- **Liquidity Disruption** means, in respect of a Fund Instrument, any suspension, limitation or delay affecting the settlement of such Fund Instrument, whether in accordance with the provisions of the Fund Documents or for any other reason.
- **Settlement Disruption** means, in respect of a Fund Instrument on any date, failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Settlement Proceeds due in respect of such Fund Instrument, as such amount should have been paid at the latest by such date in accordance with the Fund Documents (without giving effect to any gating, deferral, suspension or any other provision permitting the Fund to delay or refuse settlement of Fund Instruments).
- **Valuation Disruption** means that:
 - (a) the Net Asset Value of the Fund Instrument is not determined and/or published by the Fund (or the Fund Service Provider which generally determines such value) in accordance with the provisions of the Fund Documents;
 - (b) the determination and/or publication of the Net Asset Value of the Fund Instrument, in accordance with the Fund Documents, has/have been suspended; or
 - (c) the Net Asset Value of the Fund Instrument published by the Fund (or the Fund Service Provider which generally determines such value) is incorrect or misrepresents the Net Asset Value of the Fund Instrument, in the reasonable opinion of the Calculation Agent.

For the sake of clarity, any terms with a capital letter will have the meaning specified in Condition 5.10 except that where Fund Unit(s) appears, it will be replaced by "Fund Instrument(s)".

Futures Contract Disruption Event means, in respect of a Futures Contract Instrument, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which the Calculation Agent determines, in each case, is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure. For the purpose thereof:

- **Early Closure** means the closure, on any Exchange Business Day, of the relevant Reference Market prior to its Scheduled Closing Time, unless such early closing time has been announced by such Reference Market at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Reference Market on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the Reference Market system for execution at the Valuation Time on such Exchange Business Day.
- **Exchange Disruption** means any event (other than an Early Closure or a Trading Disruption) which 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, the Futures Contract Instrument on the Reference Market.
- **Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Reference Market or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits permitted by the relevant Reference Market or otherwise, in the relevant Futures Contract Instrument on the relevant Reference Market.

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

- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Share Instruments, the occurrence of a Share Disruption Event affecting one or more of such Share Instruments; and
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Fund Instruments, the occurrence of a Fund Disruption Event affecting one or more of such Fund Instruments; and
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Index Instruments, the occurrence of an Index Disruption Event affecting one or more of such Index Instruments;
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Futures Contract Instruments, the occurrence of a Futures Contract Disruption Event affecting one or more of such Futures Contract Instruments.
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Debt Security Instruments, the occurrence of a Debt Security Disruption Event affecting one or more of such Debt Security Instruments.

Index Disruption Event means, in respect of an Index Instrument, the non-publication of the Closing Level by the Sponsor.

Market Disruption Event means the occurrence of any of the following events, in respect of which the Calculation Agent will determine whether such event is material: (a) the non-publication of the Closing Level or (b) an Index Component Event where the aggregate of all Index Components in respect of which an Index Component Event occurs or exists comprises 25 per cent. or more of the level of the Proprietary Index.

(ii) Consequences of a Market Disruption Event

(a) Consequences of a Market Disruption Event for an Index (other than a Proprietary Index)

If any Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or Determination Date) is a Disrupted Day, then :

(A) in the case of a Security on a single Index, such Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the level of the Index at the Valuation Time on such eighth Disrupted Day in accordance with the formula for and method of calculation the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted prices as of the Valuation Time on that eighth Scheduled Trading Day of each security comprises 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 for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

(B) in the case of a Security on an Index Basket, the Valuation Date for all Indices of the Index Basket, included those not affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day for the Index affected by the occurrence of a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be Valuation Date for all Indices of the Index Basket, including the Index affected by the occurrence of a Disrupted Day, notwithstanding that such day is a Disrupted Day for the relevant affected Index and (2) the Calculation Agent shall determine in good faith the level of the Index at the Valuation Time on such eighth Disrupted Day in accordance with the formula for and method of calculation the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted prices as of the Valuation Time on that eighth Scheduled Trading Day of each security (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 for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

(b) Consequences of a Market Disruption Event for a Proprietary Index

If any Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or a Determination Date) is a Disrupted Day for a Proprietary Index, then:

(A) in the case of a Security on a single Proprietary Index, such Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day in respect of such Proprietary Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the level of such Proprietary Index at the Valuation Time on such eighth Disrupted Day, in accordance with the formula for and method of calculating such Proprietary Index last in effect prior to the occurrence of the first Disrupted Day, using the Reference Market traded or quoted prices as of the Valuation Time on that eighth Scheduled Trading Day of each Index Component (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Index Component on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Index Component as of the Valuation Time on that eighth Scheduled Trading Day).

(B) in the case of a Security on an Index Basket, the Valuation Date for all Proprietary Indices of the Index Basket, included those not affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day for the Proprietary Index affected by the occurrence of a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be Valuation Date for all Proprietary Indices of the Index Basket, including the Proprietary Index affected by the occurrence of a Disrupted Day, notwithstanding that such day is a Disrupted Day for the relevant affected Proprietary Index and (2) the Calculation Agent shall determine in good faith the level of such Proprietary Index at the Valuation Time on such eighth Disrupted Day in

accordance with the formula for and method of calculation such Proprietary Index last in effect prior to the occurrence of the first Disrupted Day using the Reference Market traded or quoted prices as of the Valuation Time on that eighth Scheduled Trading Day of each Index Component (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Index Component on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Index Component as of the Valuation Time on that eighth Scheduled Trading Day)

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, if any Market Disruption Event occurs on any date which, in the absence of such Market Disruption Event, would have been the Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Market Disruption Event, in accordance with Condition 19.

C. Adjustments

(i) Principles

If certain events defined in paragraphs (ii) and (iii) below and affecting an Index (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Day and/or a Determination Date), continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively as specified in the Final Terms:

- (a) the same method as that applied by the Related Exchange (if applicable) or any other relevant authority (the **Related Exchange Method**) (except for Proprietary Indices), or
- (b) the methods described in paragraphs (ii) and (iii) to adapt the Securities to the modifications to the Index or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Related Exchange Method or Calculation Agent Method is technically impossible to implement or inappropriate, it may (except for Proprietary Indices) make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities, as determined by the Calculation Agent. Settlement terms shall be implemented as soon as possible at the specified fair market value (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the "**Capitalised Fair Market Value**" means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Indices (other than Proprietary Indices)

If the Calculation Agent applies the Calculation Agent Method it may make the following adjustments.

To this end, the Events applicable to an Index are defined as follows and include Calculation and publication of an Index by a New Sponsor, Change in the calculation or replacement of an Index, Non-publication or cessation of calculation of an Index, Change in Law, Hedging Disruption and Increased Cost of Hedging.

(a) Calculation and publication of an Index by a New Sponsor

If an Index ceases to be calculated and/or published by the Sponsor of such Index, but is calculated and/or published by a successor acceptable to the Calculation Agent (the "**New Sponsor**"), the reference level of the Index shall be determined on the basis of the level of the Index as calculated and/or published by the New Sponsor.

The name of the New Sponsor and the terms and conditions for the calculation and/or distribution of the Index shall be notified as soon as possible to the Holders in accordance with Condition 19.

(b) Change in the calculation or replacement of an Index

If, the Sponsor or, if applicable, the New Sponsor announces that it will make a material change in the formula for or method of calculation that Index or in any other way materially modified that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine event), or if the Sponsor replaces by a successor index using, in the determination of the Calculation Agent, the same or substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case such new Index must be used as the new underlying instrument of the Securities, the Calculation Agent may:

- (a) use the Index so calculated or replace the Index with the new index, as applicable, by multiplying it, if necessary, by a factor that ensures the continuity of the Index used as the underlying instrument for the Securities; the Index so calculated or the new index, as applicable, as well as the factor, if necessary, shall be notified as soon as possible to the Holders in accordance with Condition 19; or
- (b) make adjustments to the settlement, payment or any other terms of the Securities, including electing to proceed with Substitution of the affected Index.

(c) Non-publication or cessation of calculation of an Index

If, on the Valuation Date or an earlier date, the Sponsor or the New Sponsor fails to publish or definitively stops calculating the Index without providing a new Index, or if it is no longer possible to use the Index normally as the Index underlying the Securities, the Calculation Agent may make adjustments to the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the affected Index.

(d) Change in Law

Change in Law means that, on or after the Issue Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has or will become illegal or contrary to any Applicable Regulation for the Hedging Party, to hold, acquire or dispose of Hedged Positions in relation to its Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Index if a Change in Law occurs.

(e) Hedging Disruption

Hedging Disruption means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Index if a Hedging Disruption occurs.

(f) Increased Cost of Hedging

Increased Cost of Hedging means that the Hedging Party would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commission) to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk of entering into and performing its obligations with respect to the relevant Security, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increase Cost of Hedging.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Index if an Increased Cost of Hedging occurs.

(iii) Additional methods of adjustment for Proprietary Indices

(a) Publication of a Substitute Proprietary Index

If a Proprietary Index (i) ceases to be calculated by the Index Calculation Agent of such Proprietary Index and/or ceases to be published by the Sponsor of such Proprietary Index but is calculated by a replacement index calculation agent (the **Replacement Index Calculation Agent**) acceptable to the Calculation Agent and/or is published by a replacement sponsor (the **Replacement Sponsor**) acceptable to the Calculation Agent, or (ii) is replaced by a new proprietary index which uses, in the opinion of the Calculation Agent, the same or a substantially similar formula and calculation method as that used to calculate such Proprietary Index then, in each case, such substitute Proprietary Index (the **Substitute Proprietary Index**) shall be deemed to be the Proprietary Index.

(b) Modification and cessation of calculation of a Proprietary Index

If the Sponsor, or, if applicable, the Replacement Sponsor, announces that it will make a material change in the formula or method of calculating that Proprietary Index or in any other way materially modified that Proprietary Index (other than any modification prescribed in such formula or method in order to maintain such Proprietary Index in the event of change to any of the Index Components comprised in the Proprietary Index, their capitalisation or any other routine event) (**Proprietary Index Modification**) or permanently cancels the Proprietary Index and no Substitute Proprietary Index exists (**Proprietary Index Cancellation**), then the Calculation Agent may adjust the settlement, payment or any other terms of the Securities by, in particular, calculating the level of such Proprietary Index in accordance with the Index Rules in force prior to such modification or cancellation, but using only the Index Components immediately prior to such Proprietary Index Modification or Proprietary Index Cancellation, or the Calculation Agent may proceed with Substitution of the Proprietary Index.

(c) Change of Index Advisor

The Calculation Agent may proceed with Substitution of the relevant Proprietary Index if (i) the Index Advisor ceases to perform its functions and no satisfactory successor, in the opinion of the Calculation Agent, has been appointed to replace it within five (5) Exchange Business Days following such event, (ii) there is a change of control of the Index Advisor or (iii) the Index Advisor is no longer able, in the opinion of the Calculation Agent, to perform its functions with the same care and attention as prior to the Issue Date, in particular due to a legal or regulatory

decision or decision of a supervisory authority or is the subject of judicial reorganisation, liquidation or insolvency proceedings or, at any time, ceases to honour its debts or is the subject of a temporary or permanent withdrawal of its licence, or is the subject of disciplinary or administrative proceedings initiated by its supervisory authorities or acts in a fraudulent manner or any other event occurs which, in the opinion of the Calculation Agent, has a material adverse effect on the Proprietary Index.

(d) Change in Law

Change in Law means that, on or after the Issue Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has or will become illegal or contrary to any Applicable Regulation for the Hedging Party, to hold, acquire or dispose of Hedged Positions in relation to its Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement the Substitution of the relevant Proprietary Index if a Change in Law occurs.

(e) Hedging Disruption

Hedging Disruption means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Proprietary Index if a Hedging Disruption occurs.

(f) Increased Cost of Hedging

Increased Cost of Hedging means that the Hedging Party would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commission) to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk of entering into and performing its obligations with respect to the relevant Security, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an increase cost of hedging.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Proprietary Index if an Increased Cost of Hedging occurs.

(iv) General

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.

- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice.

5.9 MARKET DISRUPTION EVENTS AND ADJUSTMENTS FOR COMMODITY OR COMMODITIES BASKET

A. Definitions

Barrier means the Commodity Price specified as such in the applicable Final Terms, subject to adjustment in accordance with paragraph C below

Basket means a basket comprising Commodities, as specified in the applicable Final Terms, in such proportion or number of Commodities as is specified in the applicable Final Terms.

Commodity Business Day means for a Commodity (other than Precious Metals) in respect of which the Commodity Reference Price is not a Price announced or published by an Exchange, a day on which the Sponsor of the Commodity Reference Price or the Price Source has published (or would, but for the occurrence of a Market Disruption Event, have published) a Price; and in respect of any Precious Metal, any day on which commercial banks are open in London and New York and in any place which the Issuer or the Calculation Agent may determine is the place where payment shall or must be made for such Precious Metals pursuant to any related Hedging Agreements.

Commodity means subject to adjustment in accordance with paragraph C below, (a) (i) a commodity, (ii) options contracts relating to a commodity, (iii) futures contracts relating to a commodity, (iv) options contracts relating to futures contracts on a commodity, (v) swap contracts relating to any of the elements referred to in (i) to (iv), or (vi) any other contract, derivative or otherwise, relating to a commodity, or (b) Precious Metals, if specified as the commodity referred to in (i) to (iv) above, as specified in the applicable Final Terms. All related expressions shall be construed accordingly.

Commodity Reference Broker Price means that the Price on any given date shall be determined on the basis of quotations, provided by Commodity Reference Brokers or Precious Metals Reference Brokers, as the case may be, indicating the Price of the relevant Commodity on such date. If four requested quotations are provided, the Price for such date shall be the arithmetic average of the Prices for such Commodity, transmitted by each Reference Broker or Precious Metals Reference Broker, as the case may be, excluding the highest quoted Price and the lowest quoted Price. If three requested quotations are provided, the Price for such date shall be the Price transmitted by the Reference Broker or the Precious Metals Reference Broker, as the case may be, that remains having excluded the highest quoted Price and the lowest quoted Price. For this purpose, if more than one quotation specifies the same highest and lowest values, one such quoted Price shall be excluded. If less than three quotations are provided, it shall be deemed to have been impossible to determine the Price on such date.

Commodity Reference Brokers means in respect of a Commodity (other than Precious Metals) for which the Commodity Reference Price is the Commodity Reference Broker Price, the four brokers specified in the applicable Final Terms or, if none are specified, four prime brokers on the relevant market, selected by the Issuer.

Commodity Reference Price means, in respect of any Commodity, the reference price specified in the applicable Final Terms.

Commodity Reference Price Sponsor means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Commodity Reference Price and (b) announces (directly or indirectly) the Commodity Reference Price on a regular basis during each Business Day, specified as such in the applicable Final Terms, subject to adjustment in accordance with paragraph C below.

Event Effective Date means, for the purposes of a Market Disruption Event, the date on which the relevant Event becomes effective.

Exchange Business Day (All Commodities Basis) means, in respect of a Commodity Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day (Per Commodity Basis) means, in respect of a Commodity Basket, any day on which the relevant Exchange and Related Exchange associated with such Commodity are open for trading during their respective regular trading sessions.

Exchange Business Day (Single Commodity Basis) means any Scheduled Trading Day on which the relevant Exchange and Related Exchange, if applicable, are open for trading during their respective regular trading sessions, notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day means either (i) in the case of a Commodity, an Exchange Business Day (Single Commodity Basis), or (ii) in the case of a Commodity Basket (a) an Exchange Business Day (All Commodities Basis) or (b) an Exchange Business Day (Per Commodity Basis), in each case as specified in the applicable Final Terms, provided that if no Exchange Business Day is specified in the relevant Final Terms, Exchange Business Day (All Commodities Basis) shall be deemed to apply.

Exchange means the principal exchange or regulated market on which the Commodity is traded, as specified in the applicable Final Terms.

Gold means gold bars or non-allocated gold complying with LBMA rules, unless provided otherwise in the applicable Final Terms, relating to good delivery and fineness, in force at any time.

Hedged Position means any purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Hedging Agreement means all hedging agreements entered into by the Issuer (and/or any of its affiliates) or any entities party to the Hedging Agreements entered into at any time to hedge the Securities, including, without limitation, the purchase and/or sale of any securities, options, futures contracts on such securities, all certificates or hybrid securities, as the case may be, of deposit relating to such securities and all related currency transactions.

Initial Observation Date shall have the meaning given thereto in the Technical Annex.

Initial Price means the price for a Commodity specified as such in the applicable Final Terms or, if no such price is specified in the applicable Final Terms, the price for such Commodity as determined by the Calculation Agent at the Valuation Time on the relevant Exchange on the Initial Observation Date, subject to adjustment at any time in accordance with the provisions of paragraph C below.

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

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

Material Composition Change means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the content, composition or constitution of the relevant Commodity.

Material Formula Change means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the formula or method of calculation of the Reference Price of the relevant Commodity.

Material Price Differential Percentage means the percentage, if any, specified in the applicable Final Terms.

Mono-Exchange Basket means, in respect of a Commodities Basket specified as being a Mono-Exchange Basket in the applicable Final Terms, the fact that each Commodity comprised in such Commodity Basket is, or is deemed to be, traded on the same market, such that the definitions set forth in this Condition 5.9, shall apply to such Mono-Exchange Basket and each of the Commodities comprised in such Commodity Basket.

Multi-Exchange Basket means, in respect of a Commodities Basket specified as being a Multi-Exchange Basket in the applicable Final Terms, the fact that the Commodities comprised in such Commodity Basket are, or are deemed to be, traded on several markets, such that the definitions set forth in this Condition 5.9, shall apply to such Commodity Basket and to each of the Commodities comprised therein.

Palladium means palladium ingots or plaques or non-allocated palladium complying with LPPM rules, unless provided otherwise in the applicable Final Terms, relating to good delivery and fineness, in force at any time.

Platinum means platinum ingots or plaques or non-allocated platinum complying with LPPM rules, unless provided otherwise in the applicable Final Terms, relating to good delivery and fineness, in force at any time.

Precious Metals means Gold, Silver, Platinum or Palladium, or any other metal specified in the applicable Final Terms, as the case may be.

Precious Metals Reference Brokers means, in respect of any Precious Metals for which the Commodity Reference Price is the Commodity Reference Broker Price, the four leading brokers (members of the LBMA) specified in the Final Terms, or if such Precious Metals Reference Brokers are not so specified, those chosen by the Calculation Agent, unless provided otherwise in the applicable Final Terms.

Price means the price, level or rate of the relevant Commodity, as the case may be.

Price Source Disruption means in respect of a Commodity (a) the failure by the relevant Price Source to announce or publish the Price (or the necessary information to determine the Price) for the Reference Price of the relevant Commodity; (b) the disappearance or temporary or permanent unavailability of the Price Source; (c) if the Commodity Reference Price is the Commodity Reference Broker Price, the inability to obtain at least three quotations from the Commodity Reference Brokers or Precious Metals Reference Brokers, as the case may be; or (d) if the applicable Final Terms specify that the Material Price Differential Percentage applies, the fact that the Price of the relevant Commodity determined by reference to the Commodity Reference Price differs from the Price determined by reference to the Commodity Reference Broker Price, where such difference reaches the Material Price Differential Percentage.

Price Source means the publication (or any other reference source, in particular an Exchange or a Commodity Reference Price Sponsor) containing (or publishing) the relevant price (or the price used as the basis for calculating the relevant price) specified in the relevant Commodity Reference Price.

Quantity means the number of Commodities for a Security, as specified in the applicable Final Terms.

Related Exchange means an organised market on which futures contracts and/or options on a Commodity are traded, as specified in the applicable Final Terms or any successor market or any other market that may be nominated subsequently by the Issuer to replace the Related Exchange specified in the applicable Final Terms.

Scheduled Closing Time means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the relevant Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions.

Scheduled Trading Day (All Commodities Basis) means, in respect of a Commodity Basket, any day on which each Exchange and each Related Exchange associated with all of the Commodities comprised in the Commodity Basket are scheduled to be open for trading during their regular trading sessions.

Scheduled Trading Day (Per Commodity Basis) means, in respect of a Commodity Basket, any day on which the relevant Exchange and Related Exchange associated with such Commodity are scheduled to be open for trading during their regular trading sessions.

Scheduled Trading Day (Single Commodity Basis) means any day on which the relevant Exchange and relevant Related Exchange are scheduled to be open for trading during their regular trading sessions.

Scheduled Trading Day means either (i) in the case of a Commodity, Scheduled Trading Day (Single Commodity Basis), or (ii) in the case of a Commodity Basket, (a) Scheduled Trading Day (All Commodities Basis) or (b) Scheduled Trading Day (Per Commodity Basis), in each case as specified in the applicable Final Terms, provided that if no Scheduled Trading Day is specified as being applicable in the relevant Final Terms, Scheduled Trading Day (All Commodities Basis) shall be deemed to apply.

Silver means silver bars or non-allocated silver complying with LBMA rules, unless provided otherwise in the applicable Final Terms, relating to good delivery and fineness, in force at any time.

Substitute Commodity means a Commodity (i) which is not an Underlying of the Security and (ii) which, in the opinion of the Calculation Agent, has similar characteristics to those of the excluded Commodity (underlying, currency, maturity, liquidity of hedging instruments, or any other relevant parameter, in the opinion of the Calculation Agent).

Substitution means the cessation by the Calculation Agent of the indexation of the Securities to the Commodity and its replacement by a Substitute Commodity or, in the case of a Commodity Basket, the crystallisation at the fair market value of the Commodity on the relevant Event Effective Date.

Valuation Time means the time on the relevant Valuation Date specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date.

Weighting or **Wi** means, in respect of each Commodity comprised in the Commodity Basket, the percentage or fraction specified, in respect of such Commodity, in the applicable Final Terms.

B. Market disruption events

(i) Definitions

Disrupted Day means a Scheduled Trading Day on which (i) the Exchange and/or Related Exchange are not open for trading for the regular trading session or (ii) the Commodity Reference Price Sponsor does not publish the Commodity Reference Price or (iii) a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of the Exchange or, if applicable, of the Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the Exchange or, if applicable, Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Market Disruption Event means the occurrence or existence (i) of a Trading Disruption, (ii) a Market Disruption, (iii) a Price Source Disruption which the Calculation Agent determines is material and occurs at any time during the one hour period ending at the relevant Valuation Time, or (iii) an Early Closure.

Market Disruption means any event (other than an Early Closure or Trading Disruption or Price Source Disruption) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, Commodities on the relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Commodity, on the Related Exchange.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day would have been a Valuation Date.

Trading Disruption means any suspension or limitation on trading imposed by the Exchange or, if applicable, the relevant Related Exchange or otherwise, whether by reason of price fluctuations exceeding limits permitted by the Exchange or the relevant Related Exchange or otherwise, (i) in such Commodity on the relevant Exchange, or (ii) on futures or options contracts relating to such Commodity on the relevant Related Exchange.

(ii) Consequences of a Market Disruption Event on a Valuation Date

If a Valuation Date is a Disrupted Day, such Valuation Date shall be the next following Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Commodity at the Valuation Time on such eighth Disrupted Day.

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, of the occurrence of a Market Disruption Event on any date which, in the absence of such Market Disruption Event, would have been the Valuation Date.

The Issuer shall, as soon as possible, notify the Holders of the occurrence of a Market Disruption Event, in accordance with the provisions of Condition 19.

C. Adjustments

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Commodity (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date, continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively as specified in the Final Terms:

- (a) the same method as that applied by the Related Exchange (if applicable) or any other relevant authority (the **Related Exchange Method**); or
- (b) the methods described in paragraph (ii) et seq. to adapt the Securities to the modifications to the Commodity or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Related Exchange Method or Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary. Similarly, if the relevant Commodity is not governed by French law, the methods described in paragraph (ii) below may be modified to ensure compliance with local commercial practices and/or regulations.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities, as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the "**Capitalised Fair Market Value**" means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Commodities

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

(a) *No price quotations for the Commodity*

If trading in the relevant Commodity on the Exchange or relevant Related Market does not commence or ceases definitively, the Calculation Agent may proceed with Substitution of the relevant Commodity.

(b) *Disappearance of the Commodity Reference Price*

If the relevant Commodity Reference Price (i) is not determined, calculated or published by the Exchange or the Commodity Reference Price Sponsor, but is calculated by a successor exchange or successor Commodity Reference Price Sponsor, deemed acceptable by the Calculation Agent, or (ii) is replaced by a successor commodity which, in the opinion of the Calculation Agent, uses the same or substantially similar terms, formula and calculation method as those used to determine or calculate the Commodity Reference Price, the Calculation Agent may proceed with Substitution of the relevant Commodity.

(c) *Change of Commodity Reference Price*

If the Exchange or relevant Commodity Reference Price Sponsor announces that it is to make a Material Formula Change, the Calculation Agent may either:

- calculate the Commodity Reference Price using the formula and calculation method for the Reference Price for such Commodity, in force immediately prior to the adjustment event; or
- implement Substitution of the relevant Commodity.

(d) *Change of Commodity*

If the Exchange or relevant Commodity Reference Price Sponsor announces that it is to make a Material Composition Change, the Calculation Agent may either:

- calculate the Commodity Reference Price using the formula and calculation method for the Reference Price for such Commodity, in force immediately prior to the adjustment event; or
- implement Substitution of the relevant Commodity.

(e) *Tax Disruption*

If, after the Issue Date, in respect of a Commodity, any government or taxation authority imposes, changes or abolishes any tax or duty charged on the relevant Commodity, the effect of which is to increase or reduce the Commodity Reference Price, the Calculation Agent may either:

- calculate the Commodity Reference Price using the formula and calculation method for the Reference Price for such Commodity, in force immediately prior to the adjustment event; or
- implement Substitution of the relevant Commodity.

(f) Price Correction

If the Price announced by the Exchange or by the Commodity Reference Price Sponsor, used by the Calculation Agent for the purpose of any determination, is subsequently corrected and if the correction is published by the Exchange or by the Commodity Reference Price Sponsor within two Scheduled Trading Days of the original publication, and, in any event, no later than the second Scheduled Trading Day immediately preceding the payment date of the amount due and payable under the Securities, to which the original determination relates, the Calculation Agent shall notify the corrected value to the Issuer, as soon as reasonably practicable and shall determine the relevant value.

If the result of the determination of the relevant value by the Calculation Agent differs from the result of the original determination, the Calculation Agent may, if it considers it necessary, acting reasonably but at its sole discretion, adjust all relevant provisions of these Conditions accordingly.

For the avoidance of doubt, the Holders may not bring any claim against the Issuer or the Calculation Agent if any original determination is not subsequently corrected and/or if the correction of the original determination is published by the Exchange or the Commodity Reference Price Sponsor after the second Scheduled Trading Day immediately preceding the payment date of the amount due and payable under the Securities, to which the original determination related.

(g) Change of law

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Commodity if, on or after the Issue Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) or any order or decision of any regulatory or taxation authority or any rule, regulation or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has become illegal or contrary to any applicable regulation for the Hedging Party, to hold, acquire or dispose of Hedged Positions in relation to its Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

(h) Hedging disruption

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Commodity if, the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the commodity risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

(i) Increase in hedging costs

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Commodity if, the Hedging Party incurs a materially increased (as compared with the circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an increased cost of hedging.

(iii) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice.

5.10 MARKET DISRUPTION EVENT AND ADJUSTMENTS FOR FUND OR FUNDS BASKET

A. Definitions

Assets Under Management means the market value of the assets of the relevant Fund.

Depository means the entity acting as depository of the Fund, as specified in the applicable Final Terms.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Fund means any collective investment scheme or structure governed by French or foreign law, or any sub-fund of a collective investment scheme or structure governed by French or foreign law, as specified in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Fund Administrator means the administrator, manager, trustee or other similar person with principal administrative responsibility for the Fund, in accordance with the Fund Documents, as specified in the applicable Final Terms.

Fund Adviser means any person authorised to act as discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser of a discretionary manager or another non-discretionary investment adviser) for the Fund, as specified in the applicable Final Terms.

Fund Basket means a basket comprised of Fund Units specified in the applicable Final Terms, to which Weightings have been attributed as specified in the applicable Final Terms.

Fund Business Day (All Funds Basis) means, in respect of each Fund Unit comprised in a Fund Basket, any date on which a Valid Order may be executed by a Hypothetical Investor based on the Fund Documents in force on the Issue Date of the Securities.

Fund Business Day (Per Fund Basis) means, in respect of Fund Unit comprised in a Fund Basket, any date on which a Valid Order may be executed by a Hypothetical Investor based on the Fund Documents in force on the Issue Date of the Securities.

Fund Business Day (Single Fund Basis) means any date on which a Valid Order may be executed by a Hypothetical Investor based on the Fund Documents in force on the Issue Date of the Securities.

Fund Business Day means, either (i) in the case of a Fund, a Fund Business Day (Single Fund Basis) or (ii) in the case of a Fund Basket, (a) a Fund Business Day (All Fund Basis) or (b) Fund Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no Fund Business Day is specified in the relevant Final Terms, Fund Business Day (Per Fund Basis) shall be deemed to apply. For the purpose of a Basket of Multi Underlyings Fund Business Day will mean “Scheduled Trading Day”. For the purpose of the Technical Annex and of the definitions in Condition 1.1 of “Exchange Business Day (All Multi Underlyings Basis)” and “Exchange Business Day (Per Multi Underlyings Basis)”, Fund Business Day will mean Exchange Business Day. **Fund Documents** mean, with respect to any Fund, the constitutive documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund in force on the Issue Date of the relevant Securities.

Fund Service Provider means, in respect to any Fund, any person or entity who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, manager, trustee, auditor or similar person with the primary administrative responsibilities for such Fund, operator, Management Company, Depository, custodian, subcustodian, prime broker, registrar and transfer agent, domiciliary agent.

Fund Unit means, in respect of a Fund, a share or unit of such Fund or, if the rights in such Fund are not represented by units or shares, a unit of account representing title to such right in such Fund.

Hedged Position means the purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives, Fund Units or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Hypothetical Investor means any hypothetical or real investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Unit, who is deemed to have the rights and obligations, as specified in the relevant Fund Documents, of an investor holding a Fund Unit on the relevant date. The Calculation Agent may assume that the Hypothetical Investor is resident in a jurisdiction or incorporated in a jurisdiction, and that it is, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as the Calculation Agent may determine in the context of the relevant situation).

Management Company means the entity acting as management company for the relevant Fund, as specified in the applicable Final Terms.

Net Asset Value means, in respect of a Fund, the net asset value of the Fund Unit, as calculated and published by any of its Fund Service Provider on the relevant date, it being specified that the Calculation Agent may adjust the net asset value of the Fund Unit to reflect, without duplication, the portion borne by the Fund Unit of all costs, commissions, expenses, charges, duties, taxes or deductions that may be payable and/or incurred in connection with the subscription or settlement of this Fund Unit

New Fund Unit means the unit or securities of the new fund in the case of a Merger or the unit or security resulting from a Spin-off (as the case may be), received upon such Event by a holder of Fund Units prior to such Event. Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original unit or security must be substituted for several different categories of units or shares, the Calculation Agent may decide to substitute for the relevant units or securities one (or more) of such units or securities (the **Selected Fund Unit(s)**). In this case, the value of the unit(s) or security(ies) not selected (the **Excluded Fund Unit(s)**) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Fund Unit(s), at the Calculation Agent's choice, which shall be calculated by the Calculation Agent on the basis of the executed level for an Hypothetical Investor of both the Selected Fund Unit(s) and the Excluded Fund Unit(s), recorded simultaneously on the Event Effective Date. If the substituted unit(s) or share(s) include one or more unit(s) or share(s) with no executed level for an Hypothetical Investor, the Calculation Agent shall determine the fair market value of such unit(s) or share(s) on the Event Effective Date.

Quantity means (subject to adjustment, in accordance with paragraph C below), the number of Funds for a Security, as specified in the applicable Final Terms.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

Substitute Fund Unit means a unit or share in any Fund (i) which is not a Fund Unit of the relevant Securities, (ii) which has, in the opinion of the Calculating Agent, similar features to those of the excluded Fund Unit (classification, management objective, investment guidelines or any other relevant parameter in the opinion of the Calculation Agent) and (iii) whose method of determination and frequency of Net Asset Value calculation is deemed satisfactory by the Calculation Agent.

Substitution means the cessation by the Calculation Agent of the indexation of the Securities to the Fund Unit and its replacement by a Substitute Fund Unit or, solely in the case of a Fund Basket, crystallisation of the fair market value of the Fund Unit on the relevant Event Effective Date.

Valid Order means a valid subscription or repayment order sent by the required deadline to the Fund or to the Fund Service Provider which generally accepts such orders, which complies with the subscription and settlement notice periods and the date and time limits specified in the Fund Documents.

Valuation Date means each date specified as such in the applicable Final Terms or, if such date is not an Fund Business Day, the next following Fund Business Day, subject to the consequences of a Fund Disruption Event set forth in paragraph B(ii) below.

Valuation Time means the time specified as such in the applicable Final Terms, or if no such time is specified, the time at which the Net Asset Value is published by the Fund (or by the Fund Service Provider which generally determines such value).

Weighting or **Wi** means, in respect of each Fund comprised in the Fund Basket, the relevant percentage or fraction specified, in respect of such Funds, in the applicable Final Terms.

B. Fund Disruption Event

(i) Definitions

Disrupted Day means, in the case of Securities issued on a single Fund or a Fund Basket, any Fund Business Day on which a Fund Disruption Event has occurred or is continuing.

Fund Disruption Event means, in the case of Securities issued on a single Fund or a Fund Basket, the occurrence or existence of (i) Valuation Disruption, (ii) a Settlement Disruption or (iii) a Liquidity Disruption, that the Calculation Agent determines is material. Exceptionally, if an event occurs which constitutes both a Fund Disruption Event and an Event (as defined below) for such Fund Unit, such event shall constitute an Event for such Fund Unit and not a Fund Disruption Event. For the purpose of a Basket of Multi Underlyings only Fund Disruption Event will mean a “Market Disruption Event”.

Liquidity Disruption means, in respect of a Fund Unit, any suspension, limitation or delay affecting the settlement of such Fund Units, whether in accordance with the provisions of the Fund Documents or for any other reason.

Scheduled Settlement Valuation Date means, with respect to any Fund Unit, the date on which the Fund (or its Fund Service Provider which generally determines such value) is scheduled, in accordance with its Fund Documents (without giving effect to any gating, deferral, suspension or any other provision permitting the Fund to delay or refuse settlement of Fund Units) to determine the Net Asset Value of such Fund Unit for purposes of calculating the settlement proceeds to be paid to an investor who has submitted a valid notice by the required Fund Unit settlement deadline for settlement of Fund Unit, based on the value determined on such date. The Scheduled Settlement Valuation Date, relating to any Valuation Date, shall be the Scheduled Settlement Valuation Date occurring on such Valuation Date, or, if no Scheduled Settlement Valuation Date occurs on such Valuation Date, the immediately preceding Scheduled Settlement Valuation Date.

Settlement Disruption means, in respect of a Fund Unit on any date, failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Settlement Proceeds due in respect of such Fund Unit, as such amount should have been paid at the latest by such date in accordance with the Fund Documents (without giving effect to any gating, deferral, suspension or any other provision permitting the Fund to delay or refuse settlement of Fund Units).

Settlement Notification Date means, in respect of any Fund Unit and Valuation Date, the latest date on which a Hypothetical Investor in such Fund Unit would be authorised, pursuant to the Fund Documents, to submit a settlement notice by the required deadline for settlement on the Scheduled Settlement Valuation Date taking place on such Valuation Date, or, if no Scheduled Settlement Valuation Date occurs on such Valuation Date, the immediately preceding Scheduled Settlement Valuation Date.

Settlement Proceeds means the proceeds, as determined by the Calculation Agent, that would be paid by the Fund to a Hypothetical Investor whose Fund Units are being redeemed on the relevant Settlement Valuation Date, provided that (1) all proceeds to be paid in property other than cash shall be valued by the Calculation Agent at its reasonable discretion, and (2) if the Hypothetical Investor has the right to opt for payment of such settlement proceeds to be made either in cash or in property, the Hypothetical Investor shall be deemed to have opted for payment of such proceeds in cash.

Settlement Valuation Date means, in respect of any Fund Unit and any Scheduled Settlement Valuation Date, the date on which the Fund (or its Fund Service Provider which generally determines such value) determines the Net Asset Value of such Fund Unit for purposes of calculating the settlement proceeds to be paid to a Hypothetical Investor who has submitted a valid settlement notice at the latest by the corresponding Settlement Notification Date.

Valuation Disruption means that:

- (a) the Net Asset Value of the Fund Unit is not determined and/or published by the Fund (or the Fund Service Provider which generally determines such value) in accordance with the provisions of the Fund Documents;
- (b) the determination and/or publication of the Net Asset Value of the Fund Unit, in accordance with the Fund Documents, has/have been suspended; or
- (c) the Net Asset Value of the Fund Unit published by the Fund (or the Fund Service Provider which generally determines such value) is incorrect or misrepresents the Net Asset Value of the Fund Unit, in the reasonable opinion of the Calculation Agent.

(ii) Consequences of a Fund Disruption Event on a Valuation Date

If any Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or Determination Date) is a Disrupted Day, then:

(A) In the case of a Security on a single Fund Unit, such Valuation Date shall be the first succeeding Fund Business Day which is not a Disrupted Day, unless each of the eight Fund Business Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Fund Unit at the Valuation Time on such eighth Disrupted Day.

(B) in the case of a Security on a Fund Basket, the Valuation Date for all Fund Units of the Fund Basket included those not affected by the occurrence of a Disrupted Day shall be the first succeeding Fund Business Day which is not a Disrupted Day for the Fund Unit affected by the occurrence of a Disrupted Day, unless each of the eight Fund Business Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date for all Fund Units of the Fund Basket, including the Fund Unit affected by the occurrence of a Disrupted Day, notwithstanding that such day is a Disrupted Day for the relevant affected Fund Unit, and (2) the Calculation Agent shall determine in good faith the fair value of that affected Fund Unit at the Valuation Time on such eighth Disrupted Day.

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, if any Fund Disruption Event occurs on any date which, but for the occurrence of a Fund Disruption Event, would have been the Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Fund Disruption Event, in accordance with Condition 19.

C. Adjustments

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Fund Unit (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date (as defined in Condition 1.1 and accordingly may encompass an Observation Date and/or Determination Date), continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply (or not) as specified in the Final Terms:

the methods described in paragraph (ii) to adapt the Securities to the modifications to the Fund Unit or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities in the case of Cash Settlement or, if applicable, the quantity of Fund Units to be delivered in the case of Physical Delivery (the **Deliverable Fund Units**), as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value, in the case of Cash Settlement or, if applicable, by delivery of the relevant quantity of Deliverable Fund Units, in the case of Physical Settlement (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value, in the case of Cash Settlement or, if applicable, delivery of the relevant quantity of Deliverable Fund Units, in the case of Physical Settlement shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the "**Capitalised Fair Market Value**" means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Funds

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

To this end, the Events applicable to a Fund Unit, its relevant Fund and/or any of its Fund Service Providers are defined as follows and include the Potential Adjustment Event, Merger, Spin-off, Nationalization, Insolvency, Fund Insolvency Event, Subscription and/or Settlement Suspension, Subscription and/or Settlement Modification, Fees Modification, Fund Documents Modification, Fund Service Provider Event, Net Asset Value Disruption, Fund Modification, Holding Event, Strategy Breach, Decrease of Assets Under Management, Holding Ratio, Regulatory Action, Breach of Related Contract(s), Know Your Fund Procedures, Change in Law, Hedging Disruption, Increase Cost of Hedging, Reporting Disruption or Other events.

(a) **Potential Adjustment Event**

In the case of a Potential Adjustment Event, the Calculation Agent may adjust the new Quantity of Fund Units to which each Security henceforth relates.

Potential Adjustment Event means any of the following:

- (1). a subdivision, consolidation or reclassification of the relevant number of Fund Units, or a free distribution or dividend of any such Fund Unit to existing holders by way of bonus, capitalization or similar issue;
- (2). a distribution, issue or dividend to existing holders of the relevant Fund Unit of (A) an additional amount 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 Unit, 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;
- (3). an extraordinary dividend which characterization of or portion thereof shall be determined by the Calculation Agent;
- (4). 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 Documents that is consistent with the Fund Documents; or
- (5). any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Units.

(b) Merger

(1). Definitions

Merger means, in respect of any relevant Fund Units, any:

- (i) reclassification or change of such Fund Units that results in a transfer of or an irrevocable commitment to transfer all of such Fund Units outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the Fund (or any applicable Fund Service Provider, as the context may require) with or into another entity or person (other than a consolidation, amalgamation, merger or binding fund units exchange of all of such Fund Units outstanding);
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 % of the outstanding Fund Units of the Fund (or any applicable Fund Service Provider, as the context may require) that results in a transfer of or an irrevocable commitment to transfer all such Fund Units (other than such Fund Units owned or controlled by such other entity or person);
- (iv) consolidation, amalgamation, merger or binding share exchange of the Fund (or any applicable Fund Service Provider, as the context may require) or its subsidiaries with or into another entity in which the Fund (or any applicable Fund Service Provider, as the context may require) is the continuing entity and which does not result in a reclassification or change of all such Fund Units outstanding but results in the outstanding Fund Units (other than Fund Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Fund Units immediately following such event (a "Reverse Merger"),

in each case if the Event Effective Date is on or before, (A) in the case of a Security with Physical Settlement, the Settlement Date, or (B) in the case of a Security with Cash Settlement, the last occurring Valuation Date.

(2). Consequences

In the event that a Merger occurs in respect of a Fund Unit, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to (a) replace the Fund Units with New Fund Units or (b) implement Substitution of the relevant Fund Unit.

(c) Spin-off

In the event of a spin-off of the Fund (a **Spin-Off**), the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to (a) replace the Fund Units with New Fund Units or (b) implement Substitution of the relevant Fund Unit.

(d) Nationalization

Nationalization means that all the Fund Units or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

In the event of a Nationalization, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Fund Unit.

(e) Insolvency

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, (i) all the Fund Units of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them.

In the event of the Insolvency, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Fund Unit.

(f) Fund Insolvency Event

A **Fund Insolvency Event** means, in respect of any Fund Unit, that the related Fund (or any applicable Fund Service Provider, as the context may require):

(i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);

(ii) makes a general assignment or arrangement with or for the benefit of its creditors;

(iii) (A) 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 organization 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 (B) 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 (A) 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 (15) days of the institution or representation thereof;

(iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(v) has 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 nay such process is not dismissed, discharged, stayed or restrained, in each case, within fifteen (15) days thereafter; or

(vi) cause 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 (v) through (vi) above.

In the event of a Fund Insolvency Event, the Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Fund Unit.

(g) Subscription and/or Settlement Suspension

Subscription and/or Settlement Suspension means that settlements and/or subscriptions in the Fund are suspended, postponed, reduced, subject to any threshold or other constraint or partially executed or the Fund is closed to subscriptions and settlements, for any reason, without having obtained the prior written consent of the Calculation Agent.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Subscription and/or Settlement Suspension occurs.

(h) Subscription and/or Settlement Modification

Subscription Settlement Modification means that (a) new subscription and/or settlement costs for a relevant Fund Unit are introduced, (b) the notice period for Fund Unit subscriptions and/or settlements is modified without having obtained the prior written consent of the Calculation Agent or (c) the Fund modifies the terms and conditions at which subscription and/or settlement orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Issue Date of the Securities or implements a modification of the conditions at which subscription and/or settlement 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 Securities.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Subscription and/or Settlement Modification occurs.

(i) Fees Modification

Fees Modification means that (i) the Fund applies subscription or settlement fees that are higher than the maximum subscription fees (the **Maximum Subscription Fees**) and the maximum redemption fees (the **Maximum Settlement Fees**) respectively, as specified in the applicable Final Terms or (ii) the Fund applies any other fees (including any transaction fees or administrative costs) which are not specified in the Fund Documents at the Issue Date of the Securities.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Fees Modification occurs.

(j) Fund Documents Modification

Fund Documents Modification means any change or modification of the related Fund Documents from those prevailing on the Issue Date of the Securities 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.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Fund Documents Modification occurs.

(k) Fund Service Provider Event

Fund Service Provider Event means (a) a change, resignation or termination of any Fund Service Provider and no successor deemed satisfactory in the opinion of the Calculation Agent has been appointed within five (5) Fund Business Days following such event, (b) a change of control or indirect control of the Fund Service Provider, (c) any

Fund Service Provider is no longer able in the opinion of the Calculation Agent to execute its duties with the same level of care and diligence as at the Issue Date of the Securities, in particular as a result of a legal, regulatory or supervisory decision, (d) any Fund Service Provider is subject to a Fund Service Provider Insolvency Event, where “Fund Service Provider Insolvency Event” has the same meaning as a Fund Insolvency Event described in Condition 5.10 C.ii.f above, (e) any Fund Service Provider fails to meet its financial commitments at any time, (f) any Fund Service Provider is subject to temporary or definitive withdrawal of its license or to disciplinary or administrative proceedings from its supervisory authorities or acts fraudulently in relation to the Fund, (g) in the reasonable opinion of the Calculation Agent, any Fund Service Provider is no longer deemed able to carry out its business with the standard care which was prevailing on the Issue Date of the Securities, (h) the resignation, termination, death or replacement of any key person in the management of the Fund has occurred or (i) any other event which may, in the view of the Calculation Agent, have a material adverse effect on the Fund.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Fund Service Provider Event occurs.

(l) Net Asset Value Disruption

Net Asset Value Disruption means that (a) the Fund does not determine its Net Asset Value in accordance with its Fund Documents, (b) fails to publish its Net Asset Value in accordance with its Fund Documents or (c) fails to carry out any action necessary for such determination or publication.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Net Asset Value Disruption occurs.

(m) Fund Modification

Fund Modification means (i) any failure by the Fund Adviser to act in accordance with the investment objectives, risk profile or investment guidelines of the Fund, (ii) the imposition by any regulatory body of any restriction limiting the ability of any Fund Service Provider to buy or sell shares or other assets, (iii) any limitation on the ability of any Fund Service Provider to buy or sell shares or other assets, for reasons relating to liquidity, unfavourable market conditions or decrease in the value of the Fund's assets, or (iv) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets, where, in each case, the Calculation Agent considers that such situation is unlikely to be remedied within a reasonable time.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Fund Modification occurs.

(n) Holding Event

Holding Event means that the Assets Under Management of the Fund falls to the extent that the Issuer or any third party with which the Issuer enters into hedging arrangements, in respect of its obligations under the Securities, holds, on any Fund Business Day, Fund Units in an amount or percentage as is specified in the applicable Final Terms (the “**Fund Holding Event Percentage**”) or, if no such amount is specified, such Holding Event shall be deemed to be greater than 20% of the Assets Under Management of the Fund on such Fund Business Day.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if an Holding Event occurs.

(o) Strategy Breach

Strategy Breach means (1) any breach or violation of any strategy or investment guidelines specified in the relevant Fund Documents that is reasonably likely to affect the value of the Fund Unit or risk profile of the Fund or the rights and remedies of any holders thereof (in each case, as determined by the Calculation Agent) (2) or, even where the

Fund Documents are not modified, any material modification or effect, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Issue Date of the Securities or of the performance of the Fund 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, which in each case does not necessarily involve an amendment of the Fund Documents.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Strategy Breach occurs.

(p) Decrease of Assets Under Management

Decrease of Assets Under Management means that the Calculation Agent determines that during the last twelve (12) month period, the total value of the assets managed by the Management Company or the Fund Adviser (including the Fund) has decreased by fifty per cent (50%) (due to either a settlement or decrease in the value of such assets).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Decrease of Assets Under Management occurs.

(q) Holding Ratio

Holding Ratio means the Assets Under Management fall below a threshold which, in the opinion of the Calculation Agent (i) has, or may have, a material adverse effect on the management and/or operating costs of the Fund, (ii) or increases the proportion of Units held or likely to be held by the Hedging Party to the extent that settlement in full of the Fund Units held by the Hedging Party is or may no longer be possible.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if an Assets Under Management occurs.

(r) Regulatory Action

Regulatory Action means, with respect to any Fund Unit:

- (i) cancellation, suspension or revocation of the registration or approval of the Fund or its Fund Unit by any governmental, legal or regulatory entity with authority over the Fund or its Fund Unit;
- (ii) any change in the legal, tax, accounting or regulatory treatments of the Fund or its Fund Service Provider which is likely, in the reasonable opinion of the Calculation Agent, to have an adverse impact on the value of such Fund Units or on any investor in the relevant Fund; or
- (iii) 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.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Regulatory Action occurs.

(s) Breach of Related Contract(s)

Breach of Related Contract(s) means that the Fund, the Management Company, the Depositary and/or the Fund Service Provider (i) fails to perform or breaches its obligations under any contract relating to the management of the Fund or any other contract relating to such Fund (the **Related Contracts**), (ii) terminate the Related Contract(s) for reasons beyond the control of the Issuer or any Hedging Party, (iii) disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such Related Contract(s). The Related Contracts may include, among

other thing, any agreement entered into by the Fund, Management Company, the Depositary and/or the Fund Service Provider with the Issuer or any Hedging Party.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Breach of Related Contract(s) occurs.

(t) Know Your Fund Procedures

Know Your Fund Procedures means that, in the opinion of the Calculation Agent, the Fund does not comply, in full or in part, with the "*know your fund*" procedures (including in particular its obligations in respect of money-laundering and terrorism financing).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Know Your Fund Procedures occurs.

(u) Change in Law

Change in Law means that, on or after the Trade Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has become illegal for the Hedging Party to hold, acquire or dispose of Hedged Positions (including the relevant Fund Units) in relation to its Securities or that it has become illegal to maintain the Related Contract(s) (as referred to in section (s) (*Breach of Related Contracts*) above) entered into by the Hedging Party with the the Fund, the Management Company, the Depositary and/or the Fund Service Provider, or (Y) the Hedging Party will incur a materially increased cost in performing its obligations under the Securities or the Related Contract(s) (as referred to in section (s) (*Breach of Related Contracts*) above) entered into by the the Hedging Party with the Fund, the Management Company, the Depositary and/or the Fund Service Provider (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Change in Law occurs.

(v) Hedging Disruption

Hedging Disruption means that the Hedging Party is unable, or it is impractical for the Hedging Party, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, maintain, unwind or dispose of any Hedged Positions or (B) realise, recover or remit the proceeds of such Hedged Positions, without limitation, where the reason for such inability or practical impossibility has arisen by reason of (i) all of the illiquid assets of the Fund constituting the whole or part of the Hedged Positions being transferred to a dedicated fund or account or to a dedicated structure pending liquidation of such assets for the benefit of existing Fund Unit holders (*side pocket*), (ii) a limitation on the amount or number of settlements or subscriptions that the Fund (or the Fund Service Provider generally responsible for accepting settlement or subscription orders) will accept for a particular date on which the Fund normally accepts settlement orders (*a gate*), (iii) the suspension, for any reason, of subscription or settlement orders by the Fund (or the Fund Service Provider generally responsible for accepting settlement or subscription orders), (iv) payment of the balance of settlement proceeds being postponed to a date falling after the date on which the financial statements of the Fund have been audited by the Fund's statutory auditors (*holdback*), or an increase in the costs or fees charged by the relevant Fund (in particular, the charging of subscription/settlement fees (retainable by the Fund)), or (v) any mandatory settlement, in whole or in part, of such Fund Units imposed by the relevant Fund, whether such events were, in each case, imposed by the Fund without being contemplated in the Fund Documents as at the Issue Date of the Securities, or were already contemplated in the Fund Documents as at the Issue Date, but were only implemented by the Fund after such date.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if an Hedging Disruption occurs.

(w) Increased Cost of Hedging

Increase Cost of Hedging means that the Hedging Party incurs a materially increased (as compared with the circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, replace, substitute, maintain, unwind or dispose of any Hedged Positions, or (ii) realise, recover or remit the proceeds of any such Hedged Position(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increased Costs of Hedging.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if an Increased Cost of Hedging occurs.

(x) Reporting Disruption

Reporting Disruption means, in respect of any Fund Unit, (i) occurrence of any event affecting such Fund Unit that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Unit, and such event continues for at least the time period specified in the related Final Terms or, if no such time period is specified, the foreseeable future; (ii) 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 the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for it to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Units.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit if a Reporting Disruption occurs.

(y) Other events

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Fund Unit, if any other events occur which, in the reasonable opinion of the Calculation Agent, affect the value or risk profile of the relevant Units.

(iii) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice and any Physical Settlement pursuant to Condition 6.5 shall be made as soon as possible.

5.11 MARKET DISRUPTION EVENT AND ADJUSTMENTS FOR FUTURES CONTRACT OR BASKET OF FUTURES CONTRACTS

A. Definitions

Basket means a basket comprising Futures Contracts, as specified in the applicable Final Terms, assigned the relevant Weightings specified in the applicable Final Terms.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Business Day (All Futures Contracts Basis) means, in respect of a Basket of Futures Contracts, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions, notwithstanding any closure of an Exchange prior to its Scheduled Closing Time.

Exchange Business Day (Per Futures Contract Basis) means, in respect of a Basket of Futures Contract, any Scheduled Trading Day on which the relevant Exchange associated with such Futures Contract is open for trading during its regular trading sessions, notwithstanding that such Exchange closes prior to its Scheduled Closing Time.

Exchange Business Day (Single Futures Contract Basis) means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading sessions, notwithstanding that such Exchange closes prior to its Scheduled Closing Time.

Exchange Business Day means either (i) in the case of a Futures Contract, an Exchange Business Day (Single Futures Contract Basis), or (ii) in the case of a Basket of Futures Contrats (a) an Exchange Business Day (All Futures Contracts Basis) or (b) an Exchange Business Day (Per Futures Contract Basis), in each case as specified in the applicable Final Terms, provided that if no Exchange Business Day is specified in the relevant Final Terms, Exchange Business Day (All Futures Contracts Basis) shall be deemed to apply.

Exchange means, for a Futures Contract, each exchange of quotation system specified as such in the Final Terms for a relevant Futures Contract, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future Contract has temporary relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange).

Futures Contract means, in the case of an Issue of Securities relating to a single Futures Contract, the futures contract to which the Securities are linked such as the futures contract relating to a Futures Contract Underlying and in the case of an Issue of Securities relating to a Basket of Futures Contrats, each Futures Contract, in both case as calculated and published by the Futures Contract Sponsor, as specified in the applicable Final Terms, subject to adjustment at any time in accordance with the provisions of paragraph C below.

Futures Contract Sponsor means the company or entity whose role is to (a) set and review the rules and procedures, calculation methods and adjustments relating to the Futures Contract, and (b) publish (directly or through an agent) the Futures Contract Price on a regular basis throughout each Scheduled Trading Day, specified as at the Issue Date in the applicable Final Terms, subject to the Specific Provisions set forth in paragraph B below.

Futures Contract Underlying means, in respect of the relevant Futures Contract, the index(ices), share(s), debt instrument(s) or commodity(ies), as specified in the applicable Final Terms.

Hedged Positions means any purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Price means the price, level or rate of the Futures Contract, as the case may be.

Quantity means the number of Futures Contracts of a Security, as specified in the applicable Final Terms.

Scheduled Closing Time means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on the relevant Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading times or sessions.

Scheduled Trading Day (All Futures Contracts Basis) means, in respect of a Basket of Futures Contracts, any day on which each Exchange associated with all of the Futures Contracts comprised in the Basket of Futures Contracts are scheduled to be open for trading during its regular trading sessions.

Scheduled Trading Day (Per Futures Contract Basis) means, in respect of a Basket of Futures Contracts, any day on which the relevant Exchange associated with such Futures Contract is scheduled to be open for trading during its regular trading sessions.

Scheduled Trading Day (Single Futures Contract Basis) means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading sessions.

Scheduled Trading Day means either (i) in the case of a Futures Contract, Scheduled Trading Day (Single Futures Contract Basis), or (ii) in the case of a Basket of Futures Contracts, (a) Scheduled Trading Day (All Futures Contracts Basis) or (b) Scheduled Trading Day (Per Futures Contract Basis), in each case as specified in the applicable Final Terms, provided that if no Scheduled Trading Day is specified as being applicable in the relevant Final Terms, Scheduled Trading Day (All Futures Contracts Basis) shall be deemed to apply.

Substitute Futures Contract means a futures contract (i) which is not the original Futures Contract of the Security as indicated in the Final Terms and (ii) which has, in the opinion of the Calculation Agent, similar features to those of the excluded Futures Contract (underlying, currency, maturity, liquidity of hedging instruments or any other pertinent feature, in the opinion of the Calculation Agent).

Substitution means cessation by the Calculation Agent of indexation of the Securities to the Futures Contract and its replacement with a Substitute Futures Contract or in the case of a Basket, crystallisation of the fair market value of the Futures Contract on the relevant Event Effective Date.

Valuation Time means the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Determination Date, as the case may be, unless otherwise specified in the relevant Final Terms. If the relevant Exchanges closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Weighting or **Wi** means, in respect of each Futures Contract comprised in the Basket, the relevant percentage or fraction specified, in respect of such Futures Contract, in the applicable Final Terms.

B. Market Disruption Event

(i) Definitions

Disrupted Day means, in the case of Securities issue on a single Futures Contract or a Basket of Futures Contracts, in respect of a Futures Contract, any Scheduled Trading Day on which the Exchange fails to open for trading during its regular trading session, or any Scheduled Trading Day on which a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of the relevant Exchange prior to its Scheduled Closing Time, unless such early closing time has been announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

Exchange Disruption means any event (other than an Early Closure or a Trading Disruption) which 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, the Futures Contract on the Exchange.

Market Disruption Event means, in the case of Securities issue on a single Futures Contract or a Basket of Futures Contracts, in respect of a Futures Contract, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which the Calculation Agent determines, in each case, is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date, an Observation Date or a Determination Date.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise, in the relevant Futures Contract on the relevant Exchange.

(ii) Consequences of a Market Disruption Event on the Valuation Date

If any Valuation Date (as defined in Condition 1.1 and accordingly, may encompass an Observation Date and/or Determination Date) is a Disrupted Day, then:

(A) in the case of a Security on a single Futures Contract, such Valuation Date shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Futures Contract at the Valuation Time on such eighth Disrupted Day.

(B) in the case of a Security on a Basket of Futures Contracts, the Valuation Date for all Futures Contract of the Basket, including those not affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which is not a Disrupted Day for the Futures Contract affected by the occurrence of a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date for all Futures Contracts of the Basket of Futures Contracts, including the Futures Contract affected by the occurrence of a Disrupted Day notwithstanding that such day is a Disrupted Day for the relevant affected Futures Contract and (2) the Calculation Agent shall determine in good faith the fair value of that affected Futures Contracts at the Valuation Time on such eighth Disrupted Day.

In order to determine the fair market value of the Futures Contract, the Calculation Agent may take into account the market value of any hedging instruments put in place by the Hedging Party in relation to the Securities, adjusted for gains or losses, if any, realised or incurred, as the case may be, by the Issuer due to such Market Disruption Event.

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, if any Market Disruption Event occurs on any date which, but for the occurrence of a Market Disruption Event, would have been a Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Market Disruption Event, in accordance with Condition 19.

C. Adjustments

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Futures Contract (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date (as defined in Condition 1.1 and accordingly, may encompass an Observation Date and/or Determination Date), continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively and as specified in the Final Terms the hereafter methods, including the methods described in paragraph (ii) below to adapt the Securities to the modifications to the Futures Contract or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities, as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the **Capitalised Fair Market Value** means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Futures Contracts

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

To this end, the Events applicable to a Futures Contract are defined as follows and include Futures Contract listed by a third party, Modification of the specific terms, or replacement of the Futures Contract Cessation of price quotations for the Futures Contract, Calculation and publication of the Futures Contract by a Futures Contract Sponsor, Publication of the Futures Contract Price, Change in Law, Hedging Disruption and Increased Cost of Hedging.

(a) *Futures Contract listed by a third party*

If the Futures Contract is not listed by the Exchange, but is listed by another person or party (the **Third Party**) which has been nominated by the Exchange or any other competent market authority, the Exchange shall be replaced by the Third Party.

The same shall apply if the Third Party ceases to quote the price of the Futures Contract, but is replaced by another Third Party nominated as provided above.

(b) *Modification of the specific terms, or replacement, of the Futures Contract*

If the Exchange, the Third Party or the Futures Contract Sponsor modifies, in any material respect, the formula or calculation method for the Futures Contract or makes any other material modification to the Futures Contract (other than any modification prescribed in such formula or method in order to maintain the Futures Contract in the event of

a change to the Futures Contract Underlying) or if the Exchange, any other competent market authority or the Futures Contract Sponsor replaces the Futures Contract with a new futures contract, such new Futures Contract to be used as the new underlying of the Securities, the Calculation Agent may:

- (a) replace the Futures Contract with the modified Futures Contract or with the new substitute futures contract (as the case may be) multiplying it, if necessary, by a factor that ensures continuity in the evolution of the underlying instrument of the Securities. The new or amended Futures Contract (as the case may be) and, if necessary, the factor, shall be notified as soon as possible to the Holders in accordance with Condition 19; or
- (b) proceed with Substitution of the relevant Futures Contract.

(c) Cessation of price quotations for the Futures Contract

If the Exchange or Third Party permanently ceases to quote prices for the Futures Contract and does not provide a new futures contract, the Calculation Agent may make adjustments to the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Futures Contract.

(d) Calculation and publication of the Futures Contract by a Futures Contract Sponsor

If the Futures Contract (i) is not calculated and published by the Futures Contract Sponsor, but is calculated and published by a successor sponsor deemed acceptable by the Calculation Agent, or (ii) is replaced by a successor contract which, in the opinion of the Calculation Agent, utilises the same, or a substantially similar, formula and calculation method as those used to calculate the Futures Contract, such contract (the **Successor Futures Contract**) shall be deemed to be the Futures Contract, and the Conditions shall be interpreted accordingly.

(e) Publication of the Futures Contract Price

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Futures Contract if the Exchange, or as the case may be, the Futures Contract Sponsor fails to publish the Futures Contract Price.

(f) Change in Law

Change in Law means that, on or after the Issue Date, (A) due to the adoption of, or any change in any law (including, without limitation, any tax law), rule, regulation, order, regulatory decision, any order of any regulatory or taxation authority or any rule, regulation or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has become illegal or contrary to any applicable regulation for the Hedging Party, to hold, acquire or dispose of the relevant Hedged Positions in relation to such Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Futures Contract if a Change in Law occurs.

(g) Hedging Disruption

Hedging Disruption means that the Hedging Party is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the futures contract risk or any other relevant price risk including but not limited to the currency risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Futures Contract if a Hedging Disruption occurs

(h) Increased Cost of Hedging

Increased Cost of Hedging means that the Hedging Party would incur a materially increased (as compared with the circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the futures contract risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an Increased Cost of Hedging.

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Futures Contract if an Increased Cost of Hedging occurs.

(iii) General provisions

- (iv) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (v) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (vi) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice.

5.12 MARKET DISRUPTION EVENTS AND ADJUSTMENTS FOR LISTED OPTION OR LISTED OPTIONS BASKET

A. Definitions

Basket means a basket comprising Listed Options, as specified in the applicable Final Terms, assigned the relevant Weightings specified in the applicable Final Terms.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Business Day means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding that such Exchange closes prior to the Scheduled Closing Time.

Exchange means the principal exchange or regulated market on which the Listed Option is traded, as specified in the applicable Final Terms.

Listed Option means the listed option to which the Security relates, as specified in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Quantity means the number of Listed Options of a Security, as specified in the applicable Final Terms.

Scheduled Closing Time means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on the relevant Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading times or sessions.

Scheduled Trading Day means any day on which the Exchange is scheduled to be open for trading during its regular trading sessions.

Substitute Listed Option means a Listed Option (i) which is not the Listed Option of the Security and (ii) which has, in the opinion of the Calculation Agent, similar features to those of the excluded Listed Option (business sector, currency, market capitalisation, listing method, liquidity, volatility or any other pertinent feature, in the opinion of the Calculation Agent).

Substitution means cessation by the Calculation Agent of indexation of the Securities to the Listed Option and its replacement with a Substitute Listed Option or in the case of a Basket, crystallisation of the fair market value of the Listed Option on the relevant Event Effective Date.

Valuation Time means the time specified as such in the applicable Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant Valuation Date.

Weighting or W_i means, in respect of each Listed Option comprised in the Basket, the relevant percentage or fraction specified, in respect of such Listed Option, in the applicable Final Terms.

B. Market Disruption Event

(i) Definitions

Disrupted Day means any Scheduled Trading Day on which the Exchange does not open for trading during its regular trading session, or any Scheduled Trading Day on which a Market Disruption Event has occurred.

Early Closure means the closure, on any Exchange Business Day, of the relevant Exchange prior to its Scheduled Closing Time, unless such early closing time has been announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business

Day, or (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

Hedged Positions means any purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Market Disruption Event means the occurrence or existence of (i) a Trading Disruption, (ii) a Market Disruption, which the Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure.

Market Disruption means any event (other than an Early Closure or a Trading Disruption) which disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Listed Option on the relevant Exchange, or (ii) to effect transactions in futures contracts or options contracts relating to Listed Options.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

Trading Disruption means any suspension of or limitation imposed on trading by the Exchange or otherwise (other than an Early Closure or Market Disruption), whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise, in such Listed Option on the relevant Exchange.

(ii) Consequences of a Market Disruption Event on a Valuation Date

If any Valuation Date is a Disrupted Day, such Valuation Date shall be the next following Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Listed Option at the Valuation Time on such eighth Disrupted Day.

In order to determine the fair market value of the Listed Option, the Calculation Agent may take into account the market value of any hedging instruments put in place by the Issuer and/or any of the affiliates of the Hedging Party in relation to the Securities, adjusted for gains or losses, if any, realised or incurred, as the case may be, by the Issuer due to such Market Disruption Event.

(iii) Notices

The Calculation Agent shall notify the Issuer, as soon as possible, if any Market Disruption Event occurs on any date which, but for the occurrence of a Market Disruption Event, would have been a Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Market Disruption Event, in accordance with Condition 19.

C. Adjustments

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Listed Option (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date, continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively and as specified in the Final Terms the hereafter

methods, including the methods described in paragraph (ii) below to adapt the Securities to the modifications to the Listed Option or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary. Similarly, if the Listed Option is not governed by French law, the methods described in paragraph (ii) below may be modified to ensure compliance with local commercial practices and/or regulations.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities in the case of Cash Settlement, as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the **Capitalised Fair Market Value** means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Listed Options

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

(a) Listed Option listed by a third party

If the Listed Option is not listed by the Exchange, but is listed by another person or party which has been nominated by the Exchange or any other competent market authority (the **Third Party**), the Exchange shall be replaced by the Third Party.

The same shall apply if the Third Party ceases to quote the price of the Listed Option, but is replaced by another Third Party nominated as provided above.

(b) Modification of the terms applicable to the Listed Option, or replacement, of the Listed Option

If the Exchange or the Third Party substantially amends the terms applicable to the Listed Option or if the Exchange or the Third Party replaces the Listed Option with another listed option, the Calculation Agent may:

- (a) replace the Listed Option with the amended Listed Option or by another listed option, as applicable and by applying, if necessary, an adjustment coefficient ensuring that the relevant Listed Option may continue to be used for the Securities. The amended Listed Option or the other listed option, as the case may be, and, if necessary, the adjustment coefficient shall be notified as soon as possible to the Holders in accordance with Condition 19; or
- (b) implement Substitution of the Listed Option.

(c) Cessation of price quotations on the Listed Option

If the exchange or Third Party permanently ceases to quote prices for the Listed Option, the Calculation Agent may make adjustments to the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Listed Option.

(d) Change of law

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Listed Option if, on or after the Issue Date, (A) due to the adoption of, or any change in any law or regulation (including, without limitation, any tax law) or any order, decision of any regulatory or taxation authority, or any regulation, rule or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines (X) that it has become illegal or contrary to any applicable regulation for the Hedging Party, to hold, acquire or dispose of the relevant Hedged Positions in relation to such Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

(e) Hedging disruption

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Listed Option (A) if the Hedging Party is unable, after using commercially reasonable efforts, (i) to acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the risk relating to the Listed Option generated by issuing the relevant Security and performing its obligations thereunder, or (ii) to realise, recover or remit the proceeds generated by any such transaction(s) or asset(s); (B) if any of the rules, customs and/or operating procedures of the clearing house (the **Clearing House**) are modified having, in the opinion of the Hedging Party, a negative impact on the hedging position; (C) or if there is a material increase, in the opinion of the Hedging Party, in the counterparty risk associated with any transaction with the Clearing House; (D) or if the Hedging Party's status as member of the Clearing House is abandoned or withdrawn.

(f) Increase in hedging costs

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Listed Option if the Hedging Party incurs a materially increased (as compared with the circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk relating to the Listed Option generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an increased cost of hedging.

(iii) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.

- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice.

5.13 MARKET DISRUPTION EVENT AND ADJUSTMENTS FOR EXCHANGE RATE OR EXCHANGE RATES BASKET

A. Definitions

Basket means a basket of Exchange Rates, as specified in the applicable Final Terms, assigned the Weightings specified in the applicable Final Terms.

Distributor means the entity, as specified in the applicable Final Terms, that determines the Exchange Rate.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Rate means the rate of exchange to which the Securities are indexed, as specified in the applicable Final Terms, subject to adjustment at any time in accordance with paragraph C below.

Quantity means the number of Exchange Rates of a Security, as specified in the applicable Final Terms.

Scheduled Trading Day means any day upon which commercial banks are open (or, would have been open but for the occurrence of a Market Disruption Event) and operating (including in transactions denominated in foreign currencies in accordance with foreign exchange market practices) in the principal financial centres of the currencies of the Exchange Rate.

Substitute Exchange Rate means an exchange rate (i) which is not the Exchange Rate of the Security and (ii) which, in the opinion of the Calculation Agent, has similar characteristics to those of the excluded Exchange Rate.

Substitution means the cessation by the Calculation Agent of indexation of the Securities to the Exchange Rate and its replacement by a Substitute Exchange Rate or, in the case of a Basket, crystallisation of the fair market value of the Exchange Rate on the relevant Event Effective Date.

Valuation Time means the time specified as such in the applicable Final Terms, or if no such time is specified, the time at which the Distributor publishes the Exchange Rate.

Weighting or **Wi** means, for each Exchange Rate comprised in the Basket, the percentage or fraction specified in respect of each Exchange Rate, in the applicable Final Terms.

B. Market Disruption Event

(i) Definitions

Disrupted Day means any Scheduled Trading Day on which a Market Disruption Event has occurred.

Dual Exchange Rate means that a currency of the Exchange Rate is divided into a dual or multiple exchange rate.

Hedged Positions means any purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

Liquidity Disruption means the occurrence of an event concerning a currency preventing the Calculation Agent from determining the rate for such currency.

Market Disruption Event means the occurrence or existence of any of the following events (i) Price Source Unavailability, (ii) Liquidity Disruption or (iii) Dual Exchange Rate (exceptionally, if an event occurs which

constitutes both a Market Disruption Event and an Event for such Exchange Rate (as defined below), such event shall constitute an Event for such Exchange Rate and not a Market Disruption Event).

Price Source Unavailability means that it has become impossible to obtain the rate used for calculation of the Settlement Price.

Scheduled Valuation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day would have been a Valuation Date.

*(ii) **Consequences of a Market Disruption Event on a Valuation Date***

If any Valuation Date is a Disrupted Day, such Valuation Date shall be the next following Scheduled Trading Day which is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the fair value of the Exchange Rate at the Valuation Time on such eighth Disrupted Day.

In order to determine the fair value of the Exchange Rate, the Calculation Agent may take into account the market value of any hedging instruments put in place by the Issuer and/or any of the affiliates of the Hedging Party in relation to the Securities, adjusted for gains or losses, if any, realised or incurred, as the case may be, by the Issuer due to such Market Disruption Event.

*(iii) **Notices***

The Calculation Agent shall notify the Issuer, as soon as possible, if any Market Disruption Event occurs on any date which, but for the occurrence of a Market Disruption Event, would have been a Valuation Date.

The Issuer shall notify the Holders as soon as possible of the occurrence of a Market Disruption Event, in accordance with Condition 19.

C. Adjustments

*(i) **Principles***

If certain events defined in paragraph (ii) below and affecting an Exchange Rate (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date, continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another and as specified in the Final Terms the hereafter methods, including the methods described in paragraph (ii) below to adapt the Securities to the modifications to the Exchange Rate or its Substitution (the **Calculation Agent Method**).

If the Calculation Agent determines that the Calculation Agent Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities, as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the **Capitalised Fair Market Value** means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Exchange Rates

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

(a) *Substitution of a domestic currency with another domestic currency*

In the event that an Exchange Rate relates to a domestic currency that is replaced by another currency (the **Substitute Currency**), the Substitute Currency shall be used in place of the replaced domestic currency, using the fixed conversion rate between such domestic currency and the Substitute Currency, as established by the relevant authorities.

(b) *Currency of a Member State of the European Union participating in the third phase of economic and monetary union introduced on 1 January 1999*

In the event that an Exchange Rate relates to a domestic currency that will be replaced by the euro due to participation of a Member State of the European Union in the third phase of economic and monetary union introduced on 1 January 1999, the domestic currency shall be converted into euro using the fixed conversion rate between such domestic currency and the euro, as established by the Council of the European Union in accordance with article 123 (4) of the Treaty, rounding the resulting figure to the nearest one-hundredth of a euro (0.005 euro being rounded-up to the next highest one hundredth of a euro).

(c) *Cessation of publication of Exchange Rate*

If the Distributor permanently ceases to publish the Exchange Rate and no Substitute Exchange Rate is available, the Calculation Agent may make adjustments to the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Exchange Rate.

(d) *Change of law*

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Exchange Rate if, on or after the Issue Date, (A) due to the adoption of, or any change in any law (including, without limitation, any tax law), rule, regulation, order, regulatory decision, any order of any regulatory or taxation authority or any rule, regulation or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that (X) it has become illegal or contrary to any applicable regulation for the Hedging Party, to hold, acquire or dispose of the relevant Exchange Rate /Hedged Positions in relation to such Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

(e) *Hedging disruption*

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Exchange Rate if the Hedging Party is unable, after using commercially reasonable efforts, (A) to acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the exchange rate risk generated by issuing the relevant

Security and performing its obligations thereunder, or (B) to realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

(f) Increase in hedging costs

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Exchange Rate if the Hedging Party incurs a materially increased (as compared with the circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the exchange rate risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an increased cost of hedging.

(iii) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice.

5.14 MARKET DISRUPTION EVENT AND ADJUSTMENTS FOR DEBT INSTRUMENT OR DEBT INSTRUMENT BASKETS

A. Definitions

Capitalisation Rate means the fixed rate, as specified in the applicable Final Terms.

CET means Central European Time.

Company means the issuer company of a Debt Instrument, as specified in the applicable Final Terms, subject to adjustment at any time, in accordance with paragraph C below.

Conversion Rate means the exchange rate used for conversion of any amount, as specified in the applicable Final Terms.

Debt Instrument means any financial instrument (including a Bond, a Convertible Bond, a Perpetual Bond or a Contingent Bond) representing a right of claim over the legal entity that issued such instrument and to which the Securities relate, as specified in the applicable Final Terms, subject to adjustment or replacement at any time, in accordance with paragraph C below.

Debt Instrument Bankruptcy means a Company which (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

Debt Instrument Basket means a basket comprising Debt Instruments as specified in the applicable Final Terms, assigned the relevant Weightings specified in the applicable Final Terms.

Debt Instrument Maturity Date means the date on which the Debt Instrument matures, as specified in the Final Terms.

Debt Instrument Nominal Value means the nominal value assigned to the Debt Instrument, as specified in the Final Terms.

Debt Instrument Price means, for a given trading volume, the price specified in the applicable Final Terms, or if no such price is specified, an amount equal to the purchase or sale price offered for such Debt Instrument, as determined by or on behalf of the Calculation Agent by reference (i) to the official value published at the Valuation Time by the relevant Exchange at approximately 16.00 CET, where such Debt Instrument is listed and where the official price is available and adequately reflects market conditions, if not (ii) the arithmetical average of the four (4) *clean bid* prices derived from the 6 (six) most recent *clean bid* prices for the Debt Instrument (and for a "bid" size

greater than zero) published on the Bloomberg "ALLQ" screen page for the Debt Instrument at approximately 16.00 CET, ignoring the highest and lowest of such prices, if six (6) prices are available and if the arithmetical average of the four (4) prices adequately reflects market conditions, if not (iii) the arithmetical average of the two (2) *clean bid* prices derived from the six (6) most recent *clean bid* prices for the Debt Instrument (and for a "bid" size greater than zero) published on the Bloomberg "ALLQ" screen page for the Debt Instrument at approximately 16.00 CET, ignoring the highest and lowest of such prices, if the four (4) prices are available and if the arithmetical average of the two (2) prices adequately reflects market conditions, if not (iv) the arithmetical average of the *clean bid* prices provided by at least two market participants (selected by the Calculation Agent) for such Debt Instrument, or, failing which, the *clean bid* price provided by the only available leading market participant, or, failing which, (v) the price determined by the Calculation Agent at its sole discretion, but in the interests of the Holders and in a commercially reasonable manner.

Event Effective Date means the effective date of the Event, as determined by the Calculation Agent.

Exchange Business Day (All Debt Instruments Basis) means, in respect of a Debt Instrument Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day (Per Debt Instrument Basis) means, in respect of a Debt Instrument Basket, any day on which the relevant Exchange and Related Exchange associated with such Debt Instrument are open for trading during their respective regular trading sessions.

Exchange Business Day (Single Debt Instrument Basis) means any Scheduled Trading Day on which the relevant Exchange and Related Exchange, if applicable, are open for trading during their respective regular trading sessions, notwithstanding any closure of an Exchange or Related Exchange prior to the Scheduled Closing Time.

Exchange Business Day means either (i) in the case of a Debt Instrument, an Exchange Business Day (Single Debt Instrument Basis), or (ii) in the case of a Debt Instrument Basket (a) an Exchange Business Day (All Debt Instruments Basis) or (b) an Exchange Business Day (Per Debt Instrument Basis), in each case as specified in the applicable Final Terms, provided that if no Exchange Business Day is specified in the relevant Final Terms, Exchange Business Day (All Debt Instruments Basis) shall be deemed to apply, or (iii) for a Debt Instrument that is not traded on an exchange or regulated market, any Business Day.

Exchange means for a Debt Instrument, each exchange or quotation system specified as such in the Final Terms for a relevant Debt Instrument, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Debt Instrument has been temporarily relocated (provided that the Calculation Agent has determined that there is a comparable liquidity relative to such Debt Instrument on such temporarily substitute exchange or quotation system as on the original exchange. In case of a lack of Exchange for a relevant Debt Instrument means the Screen Page as specified in the Final Terms.

Hedged Positions means the purchase, sale, execution or holding of one or more (i) positions or contracts on securities, options, futures, derivatives or currencies, (ii) securities lending transactions, or (iii) other instruments or agreements (however described) made to hedge the risk relating to execution and performance of the Issuer's obligations under the Securities, whether individually or on a portfolio basis.

New Debt Instruments means securities of the new company in the event of a Merger or securities resulting from Spin-Off (as applicable). Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original securities must be substituted for several different categories of securities, the Calculation Agent may decide to substitute for the relevant securities one (or more) of such securities (the **Selected Security(ies)**). In this case, the value of the security or securities not selected (the **Excluded Security(ies)**) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Security(ies), at the Calculation Agent's choice, which shall be calculated by the Calculation Agent on the basis of the official closing price of both the Selected Security or Securities and the

Excluded Securities, recorded simultaneously on the Event Effective Date. If the substituted security or securities include one or more unlisted securities, the Calculation Agent shall determine the fair market value of such unlisted security or securities on the Event Effective Date.

Quantity means (subject to adjustment in accordance with paragraph C below) the number of Debt Instruments of the Security, as specified in the applicable Final Terms.

Related Exchange means an organised market on which futures contracts and/or options on a Debt Instrument are traded, as specified in the applicable Final Terms or any successor market or any other market that may be nominated subsequently by the Issuer to replace the Related Exchange specified in the Final Terms.

Scheduled Closing Time means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the relevant Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading sessions.

Scheduled Trading Day (All Debt Instruments Basis) means, in respect of a Debt Instrument Basket, any day on which each Exchange and each Related Exchange (if it exists) associated with all of the Debt Instruments comprised in the Debt Instrument Basket are scheduled to be open for trading during their regular trading sessions. If there is no Exchange for a relevant Debt Instrument means any day which is a Business Day.

Scheduled Trading Day (Per Debt Instrument Basis) means, in respect of a Debt Instrument Basket, any day on which the relevant Exchange and Related Exchange (if it exists) associated with such Debt Instrument are scheduled to be open for trading during their regular trading sessions. If there is no Exchange for a relevant Debt Instrument means any day which is a Business Day.

Scheduled Trading Day (Single Debt Instrument Basis) means any day on which the relevant Exchange and relevant Related Exchange (if it exists) are scheduled to be open for trading during their regular trading sessions. If there is no Exchange for a relevant Debt Instrument means any day which is a Business Day.

Scheduled Trading Day means either (i) in the case of a Debt Instrument, Scheduled Trading Day (Single Debt Instrument Basis), or (ii) in the case of a Debt Instrument Basket, (a) Scheduled Trading Day (All Debt Instruments Basis) or (b) Scheduled Trading Day (Per Debt Instrument Basis), in each case as specified in the applicable Final Terms, provided that if no Scheduled Trading Day is specified as being applicable in the relevant Final Terms, Scheduled Trading Day (All Debt Instruments Basis) shall be deemed to apply.

Screen Page means the price source reference page, as specified in the applicable Final Terms or any succeeding page.

Substitute Debt Instrument means a debt instrument (i) which is not the Debt Instrument of the Security and (ii) which has, in the opinion of the Calculation Agent, similar characteristics to those of the excluded Debt Instrument (business sector, currency, rating, listing method, liquidity, volatility or any other pertinent parameter in the opinion of the Calculation Agent).

Substitution means the cessation by the Calculation Agent of the indexation of the Securities to the Debt Instrument and its replacement by a Substitute Debt Instrument or, in the case of a Debt Instrument Basket, the crystallisation at the fair market value of the Debt Instrument on the relevant Event Effective Date.

Valuation Time means (i) the time on the relevant Valuation Date specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or (ii) for a Debt Instrument that is not traded on an Exchange 16.00 CET.

Weighting or **Wi** means, in respect of each Debt Instrument comprised in the Debt Instrument Basket, the percentage or fraction specified in respect of such Debt Instrument, in the applicable Final Terms.

B. Market Disruption Event

(i) Definitions

Market Disruption Event means

- (a) any suspension or limitation on trading imposed by the Exchange or
- (b) any suspension or limitation on trading on listed options contracts or futures contracts relating to the Debt Instrument, which the Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time or
- (c) any suspension of publication on the relevant Screen Page or the unavailability of *clean bid* prices from at least two market participants.

Disrupted Day means (i) any Scheduled Trading Day on which the Exchange or, as applicable, the Related Exchange is not open for trading during its regular trading session, or any Scheduled Trading Day on which a Market Disruption Event has occurred or (ii) for a Debt Instrument that is not traded on an Exchange, any Business Day on which a Market Disruption Event has occurred.

(ii) Consequences of a Market Disruption Event

If any Valuation Date is a Disrupted Day, such Valuation Date shall be the next following Exchange Business Day, or, as the case may be the next following Business Day, which is not a Disrupted Day, unless each of the eight (8) Exchange Business Days or each of the eight (8) Exchange Business Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In such case, (1) such eighth Disrupted Day shall be deemed to be the Valuation Date notwithstanding that such day is a Disrupted Day and (2) the Calculation Agent shall determine in good faith the value of the Debt Instrument at the Valuation Time on such eighth Disrupted Day.

In order to determine the fair value of the Debt Instruments, the Calculation Agent may take into account the market value of any hedging instruments put in place by the Issuer and/or any of the affiliates of the Hedging Party in relation to the Securities, adjusted for gains or losses, if any, realised or incurred, as the case may be, by the Issuer due to such Market Disruption Event.

C. Adjustments

(i) Principles

If certain events defined in paragraph (ii) below and affecting a Debt Instrument (an **Event**) occur, the Calculation Agent may, as regards Securities in respect of which the Event Effective Date falls on or prior to the Valuation Date, continue to perform its obligations, subject to such adjustments as it considers necessary. To this end, the Calculation Agent shall apply one after another or alternatively as specified in the Final Terms:

- (a) the same method as that applied by the Related Exchange (if applicable) or any other relevant authority (the **Related Exchange Method**), or
- (b) the methods described in paragraphs (ii) below to adapt the Security to the modifications to the Debt Instrument or its Substitution (the **Calculation Agent Method**); or
- (c) the liquidation adjustment method (the **Liquidation Method**) the effect of which is to change the manner in which the Final Settlement Amount is determined to take account (i) of the amount of the liquidation proceeds of the relevant Debt Instrument, which shall be net of all fees, costs and taxes, if any, capitalised between the date of receipt of such liquidation proceeds by the Hedging Party and the Valuation Date at the

Capitalisation Rate (**Lj**) in place of the settlement amount of the relevant Debt Instrument used in the determination of the the Final Settlement Amount and, if applicable, (ii) the sum of the Debt Instrument coupons affected by the Event, calculated between the Launch Date and the liquidation date, each coupon shall be capitalised (provided that only coupons due for at least one entire year may be capitalised) between the date of its receipt by the Hedging Party and the Valuation Date at the Capitalisation Rate (**ΣCj**) in place of the sum of the relevant Debt Instrument coupons used in the determination of the Final Settlement Amount as defined in the Final Terms as the case may be.

If the Calculation Agent determines that the Related Exchange Method or Calculation Agent Method or Liquidation Method is technically impossible to implement or inappropriate, it may make any other adjustment it deems necessary.

Failing the above, the Issuer may terminate its obligations by notifying the Holders, in accordance with Condition 19, of the fair market value of the Securities in the case of Cash Settlement or, if applicable, of the quantity of Debt Instruments to be delivered in the case of Physical Delivery (**Deliverable Debt Instruments**), as determined by the Calculation Agent.

Settlement terms shall be implemented as soon as possible at the specified fair market value in the case of Cash Settlement or, if applicable, by delivery of the relevant quantity of Deliverable Debt Instruments in the case of Physical Delivery (the **Settlement Method**).

Notwithstanding the above, if such option is specified as being applicable in the applicable Final Terms, payment of the Capitalised Fair Market Value in the case of Cash Settlement or, if applicable, by delivery of the relevant quantity of Deliverable Debt Instruments in the case of Physical Delivery, shall be made on the Settlement Date (the **Capitalised Fair Market Value Option**).

For the purposes of this paragraph, the **Capitalised Fair Market Value** means the fair market value of the Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

Any adjustment decided by the Calculation Agent shall take effect on each Valuation Date subsequent to the Event.

(ii) Adjustment methods applicable to Debt Instruments

If the Calculation Agent applies the Calculation Agent Method, it may make the following adjustments.

(a) Correction of the Debt Instrument Price

If the Debt Instrument Price published by the relevant Exchange or obtained by the Calculation Agent, as the case may be, is corrected to a material extent after the Valuation Date, but at the latest two (2) Business Days prior to the Interest Payment Date or Settlement Date, then the corrected price shall be deemed to be the Debt Instrument Price applicable on the Valuation Date.

(b) Merger

In the event that the Company (issuer of the Debt Instrument) merges with, or is absorbed by, another issuer company (other than a merger of which the issuer Company is the surviving entity) (the **Merger**), the Calculation Agent may elect to (a) replace the Debt Instruments with New Debt Instruments or (b) implement Substitution of the relevant Debt Instrument.

(c) Spin-off

In the event of a spin-off of the Company (issuer of the Debt Instrument) (**Spin-off**), the Calculation Agent may elect to either (a) replace the Debt Instruments with New Debt Instruments or (b) implement Substitution of the relevant Debt Instrument.

(d) Insolvency, Restructuring and Deterioration of the Company

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Debt Instrument (a) in the event of a Debt Instrument Bankruptcy, (b) acceleration of the Debt Instrument, (c) restructuring of the Debt Instrument, either by a reduction of the initially specified rate or amount of interest payable or accruing, a reduction in the amount of any premium or principal due at maturity or on the initially specified settlement dates, or any postponement of any date or dates on which it is provided (x) that an interest payment is to be made or interest begins to accrue or (y) that a repayment of principal or payment of any premium is to be made, or any lowering of the priority ranking or status of the Debt Instrument, or any change in the monetary unit in which repayments of principal or payments of interest must be made, or in their composition, or (d) any material deterioration in the financial situation of the Company (issuer of the Debt Instrument), in the opinion of the Calculation Agent.

(e) Change to the Debt Instrument Nominal Value

In the event of a change to the Debt Instrument Nominal Value, the Calculation Agent may adjust the new Quantity of Debt Instruments to which each Security henceforth relates.

(f) Cash/Exchange Tender Offer

If an Offer Period commences, the Calculation Agent may, having examined its characteristics and relevant practical arrangements, elect (a) to maintain the Debt Instrument as the Underlying or (b) replace it with the debt instrument issued by the Offeror.

If the Calculation Agent has not made an adjustment during the Offer Period in accordance with the paragraph below and if the Company is the subject of a successful Cash/Exchange Tender Offer (the **Tender Offer**), the Calculation Agent may elect (a) to maintain the Debt Instrument as the Underlying, (b) replace the Debt Instrument with the Substitute Security or (c) implement Substitution of the Debt Instrument.

For the purposes of this section (Cash/Exchange Tender Offer):

Cash/Exchange Tender Offer means any acquisition offer made by one or more legal entities (or if applicable one or more individuals) (the **Offeror**) in respect of one or more Debt Instruments giving rights to share capital in the Company(ies) under the relevant national law, and for a fixed price.

Offer Period means the period from (and including) the date on which the Cash/Exchange Tender Offer is officially announced by the Offeror in whatever manner to the competent supervisory authorities in accordance with applicable laws and regulations in the relevant jurisdiction, up to (but excluding) the date of the Cash/Exchange Tender Offer.

(g) Buy-Back Offer

In the event of a buy-back offer by the Company (issuer of the Debt Instruments) (the **Buy-Back Offer**), the Calculation Agent may elect:

- (a) not to take part in the Buy-Back Offer and to maintain the relevant Debt Instrument as the Underlying of the Securities, or

- (b) to participate in the Buy-Back Offer and contribute the relevant Debt Instruments, in which case the Calculation Agent shall amend the manner in which the Final Settlement Amount is determined to take account (i) of the amount of the proceeds of the contribution of the relevant Debt Instrument to the Buy-Back Offer, which shall be net of all fees, costs and taxes, if any, capitalised between the date of receipt of such amount by the Hedging Party and the Valuation Date at the Capitalisation Rate (**Lj**) in place of the settlement amount of the relevant Debt Instrument used in the determination of the Final Settlement Amount and, if applicable, (ii) the sum of the Debt Instrument coupons affected by the Event, calculated between the Launch Date and the date of the contribution of the Debt Instrument to the Buy-Back Offer, each coupon on such Debt Instrument shall be capitalised (provided that only coupons due for at least one entire year may be capitalised) between the date of its receipt by the Hedging Party and the Valuation Date at the Capitalisation Rate (**ΣCj**) in place of the sum of the relevant Debt Instrument coupons used in the determination of the Final Settlement Amount; or
- (c) to liquidate the relevant Debt Instruments, in which case the Calculation Agent shall amend the manner in which the Final Settlement Amount is determined to take account (i) of the amount of the liquidation proceeds of the relevant Debt Instrument, which shall be net of all fees, costs and taxes, if any, capitalised between the date of receipt of such liquidation proceeds by the Hedging Party and the Valuation Date at the Capitalisation Rate (**Lj**) in place of the settlement amount of the relevant Debt Instrument used in the determination of the Final Settlement Amount and, if applicable, (ii) the sum of the Debt Instrument coupons affected by the Event, received by the Hedging Party between the Launch Date and the liquidation date, each coupon on such Debt Instrument shall be capitalised between the date of its receipt by the Hedging Party and the Valuation Date at the Capitalisation Rate (**ΣCj**) in place of the sum of the relevant Debt Instrument coupons used in the determination of the Final Settlement Amount.

(h) Financial default

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including proceeding with the Substitution of the relevant Debt Instrument, (i) if a hypothetical investor in a Debt Instrument has not received all or any of the coupons and/or principal on the dates specified in the applicable Debt Instrument documentation in force on the Trade Date; or (ii) if an event occurs that may have the same consequences such as a restructuring, insolvency, repudiation or moratorium (**Financial Default**).

(i) Change of law

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Debt Instrument if, on or after the Issue Date, (A) due to the adoption of, or any change in any law or regulation (including, without limitation, any tax law) or any order, decision of any regulatory or taxation authority, or any regulation, rule or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith (X) that it has become illegal or contrary to any applicable regulation for the Hedging Party, to hold, acquire or dispose of the relevant Debt Instrument /Hedged Positions in relation to such Securities, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

(j) Hedging disruption

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including implementing Substitution of the relevant Debt Instrument if the the Hedging Party is unable, after using commercially reasonable efforts, (A) to acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the debt instrument risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) to realise, recover or remit the proceeds generated by any such transaction(s) or asset(s).

(k) Increase in hedging costs

The Calculation Agent may adjust the settlement, payment or any other terms of the Securities, including electing to implement Substitution of the relevant Debt Instrument if the Issuer and/or any of its affiliates or the Hedging Party incurs a materially increased (as compared with the circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the debt instrument risk generated by issuing the relevant Security and performing its obligations thereunder, or (B) to realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed an increased cost of hedging.

(iii) General provisions

- (i) If several Events occur, the adjustments (if any) to the terms of the Securities for the second Event and subsequent Events shall be made to the terms of the Securities, as adjusted pursuant to previous Events.
- (ii) The Calculation Agent shall, as soon as reasonably practicable in the circumstances, having made adjustments or modifications to the terms of the Securities in accordance with these Conditions, notify the Issuer and the Principal Paying Agent, following which the Issuer or the Principal Paying Agent shall give notice of such adjustment and/or modification to the Holders of the Securities in accordance with Condition 19.
- (iii) Any Cash Settlement pursuant to Condition 6.4 shall be made within a period of ten (10) Business Days from the date of the relevant notice and any Physical Settlement pursuant to Condition 6.5 shall be made as soon as possible.

5.15 EARLY SETTLEMENT

The Early Settlement Amount for any Securities due and payable in accordance with Condition 14 shall be equal to the fair market value of the Security, as determined by the Calculation Agent or, if applicable, any other third party appointed to this end using the arithmetic mean of each quotation supplied by five (5) leading banks on the Reference Financial Place (with the exception of any member of the Exane group), after having set aside the highest and lowest quotations (and if, amongst the quotations received, at least two quotations have a value equal to the highest quotation or to the lowest quotation, only one is set aside for the calculation of the arithmetic mean), plus interest based on the Euro OverNight Index Average (EONIA) rate or any other overnight rate applicable to the Settlement Currency, as specified in the Final Terms until the settlement date.

Should none of the provisions mentioned above apply, the Early Settlement Amount for any Certificate due and payable in accordance with Condition 14 means the quantity of Underlyings to Deliver, as determined by the Calculation Agent.

5.16 AUTOMATIC EARLY SETTLEMENT

Unless it has been settled, redeemed and cancelled, if on any Automatic Early Valuation Date, the Automatic Early Settlement Condition determined in accordance with the Technical Annex and specified in the applicable Final Terms occurs, each Certificate will be settled in all, but not in part, on the Automatic Early Settlement Date immediately following the relevant Automatic Early Valuation Date, and the Settlement Amount settled by the Issuer on such date will be equal to the applicable Automatic Early Settlement Amount.

5.17 PARTLY PAID CERTIFICATES

Partly Paid Certificates shall be settled either at maturity or early, in accordance with the provisions of this Condition 5 as supplemented by the Final Terms.

5.18 EARLY SETTLEMENT FOR TAX REASONS

If, at any time on or prior to the Maturity Date (the date of such determination being the **Early Tax Settlement Determination Date**), the Calculation Agent determines that, due to (i) the adoption of, any change in the application or official interpretation of any applicable tax law or regulation or (ii) any action taken by a tax authority, the Issuer may incur a materially increased cost in performing its obligations under the Certificates (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) (each a **Tax Settlement Event**), as soon as practicable after such determination the Calculation Agent shall give notice in accordance with Condition 19 to the Holders of the determination of the Tax Settlement Event stating the nature of the Tax Settlement Event (the date of such notice being the **Notice Date**); such notice may be given irrespective of whether the Tax Settlement Event is continuing. Interest shall cease to accrue from and including the Interest Payment Date immediately preceding the Early Tax Settlement Determination Date and thereafter no payment of interest or principal on the Certificates will be made and each Certificate will be redeemed by the Issuer at an amount (the **Early Settlement Amount for Tax Reasons**) equal to the fair market value of the Certificates on the fifth Business Day following the Notice Date less any loss of bargain and cost of funding incurred by the Issuer or to the Amount of Underlyings to Deliver, all as determined by the Calculation Agent in good faith.

6. SETTLEMENT OF THE CLN AND OF THE HYBRID SECURITIES

For the purpose of the present Condition 6, the term CLN means, as the case may be, the CLN or the Credit Linked Portion of the Hybrid Securities.

6.1 SETTLEMENT IN THE ABSENCE OF A CREDIT EVENT

A. Scheduled Maturity Date

Unless the CLNs have been previously redeemed or purchased and cancelled, and provided that the Calculation Agent has not sent an Extension Notice or a Credit Event Notice to the Issuer and to the Holders on or prior to the last day of the Notice Delivery Period, each CLN shall be redeemed by the Issuer at its Final Settlement Amount on the Scheduled Maturity Date.

Unless the CLNs have been previously redeemed or purchased and cancelled, and provided that the Calculation Agent has not sent an Extension Notice or a Credit Event Notice to the Issuer and to the Holders on or prior to the last day of the Notice Delivery Period and If the applicable Final Terms specify that the Third Alternative Final Settlement Amount is applicable, each CLN shall be redeemed by the Issuer at its Final Settlement Amount that is deemed to be zero (0) on the Scheduled Maturity.

B. Grace Period Extension

If the Calculation Agent determines in good faith that a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity to which Failure to Pay and Grace Period Extension is specified as applicable in the Final Terms, but the applicable Grace Period (if any) cannot by its terms expire on or prior to the Scheduled Maturity Date, the Calculation Agent shall as soon as reasonably practicable thereafter send an Extension Notice to the Issuer and the Holders setting out such determination and specifying that the Scheduled Maturity Date shall not be the Maturity Date of the CLNs and the maturity of the CLNs shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Notice in respect of the Failure to Pay is not delivered by the Calculation Agent to the Issuer and the Holders on or before the date which is fourteen (14) calendar days following the end of the Grace Period Extension Period then the Maturity Date shall be the date that falls tenth Business Days after such date.

If a Credit Event Notice in respect of the Failure to Pay is delivered on or before the date which is fourteen (14) calendar days following the end of the Grace Period Extension Period, then the settlement will occur in accordance with the Auction Settlement Terms, Physical Settlement Terms or the Cash Settlement Terms, as applicable.

C. Repudiation/Moratorium Extension

If the Calculation Agent determines in good faith that a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity to which Repudiation/Moratorium is specified as applicable in the Final Terms, the Calculation Agent shall as soon as reasonably practicable thereafter send an Extension Notice to the Issuer and the Holders setting out such determination and specifying that the Scheduled Maturity Date shall not be the Maturity Date of the CLNs and the maturity of the CLNs shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Notice in respect of the Repudiation/Moratorium is not delivered by the Calculation Agent to the Issuer and the Holder(s) on or before the date which is fourteen (14) calendar days following the Repudiation/Moratorium Evaluation Date, then the date that falls ten (10) Business Days after such date will be the Maturity Date.

If a Credit Event Notice in respect of the Repudiation/Moratorium is delivered by the Calculation Agent on or before the date which is fourteen (14) calendar days following the Repudiation/Moratorium Evaluation Date, then settlement will occur in accordance with Auction Settlement Terms, Cash Settlement Terms or Physical Settlement Terms, as applicable.

6.2 SETTLEMENT IN THE CASE OF A CREDIT EVENT

A. Upon the satisfaction of the Conditions to Settlement in relation to any Reference Entity:

(i) if **European Settlement** is specified as applicable in the Final Terms applicable to CLNs or an Hybrid Securities and no Adjustment Event has occurred in respect of the Underlying Linked Portion of the Hybrid Securities (an **Equity Adjustment Event**) prior to or following the occurrence of the relevant Credit Event, the following provisions shall apply:

- (a) the Settlement Amount in respect of the CLNs or the Credit-Linked Portion of the Hybrid Securities shall be determined by the Calculation Agent in good faith in accordance with the Settlement Method specified in the Final Terms;
- (b) in respect of the Hybrid Securities, the Underlying Linked Portion shall not be affected by the occurrence of the Credit Event and interest (if any) or any other non-principal amount linked to the Underlying Linked Portion of the Hybrid Securities will not continue to accrue until the Maturity Date unless “Include European Settlement Interest Accrual” is specified as applicable in the relevant Final Terms. In the event that the Maturity Date falls after the Scheduled Maturity Date as a result of an extension in accordance with Condition 6.1B or C or otherwise, and “Include European Settlement Interest Accrual” is specified as applicable in the relevant Final Terms, interest shall be payable at a rate calculated by the Calculation Agent in good faith by reference to EONIA or such other rate for overnight deposits in euro for the period commencing and (and including) the Scheduled Maturity Date to (and including) the Maturity Date; and
- (c) the Securities shall be redeemed on the Maturity Date at their Final Settlement Amount.

(ii) if **American Settlement** is specified as applicable in the Final Terms applicable to CLNs and or Hybrid Securities and no Equity Adjustment Event has occurred prior to or following the occurrence of the relevant Credit Event, the following provisions shall apply:

- (a) the Settlement Amount in respect of the CLN or the Credit-Linked Portion of the Hybrid Securities shall be determined by the Calculation Agent in good faith in accordance with the Settlement Method specified in the Final Terms;
- (b) in respect of the Hybrid Securities interest shall cease to be payable in respect of the Underlying Linked Portion on the relevant Credit Event Determination Date and the Calculation Agent shall calculate in good faith the Hybrid Fair Market Value of the Underlying Linked Portion of the Hybrid Securities on the relevant Credit Event Determination Date for the period commencing on such Credit Event Determination Date and ending on the relevant Settlement Date; and
- (c) the Securities shall be redeemed on the relevant Settlement Date at their Final Settlement Amount.

(iii) if Settlement by Instalments is specified as applicable in the Final Terms and no Equity Adjustment Event has occurred in respect of the Hybrid Securities prior to or following the occurrence of the relevant Credit Event, the following provisions shall apply in respect of the relevant Instalment Amount:

- (a) the Settlement Amount in respect of the Credit-Linked Portion of the Hybrid Securities shall be determined by the Calculation Agent in good faith in accordance with the Settlement Method specified in the Final Terms;

- (b) the Underlying Linked Portion of the Hybrid Securities shall not be affected by the occurrence of the Credit Event and interest (if any) or any other non-principal amount linked to the Underlying Linked Portion of the Hybrid Securities shall continue to accrue until the Maturity Date. In the event that the Maturity Date falls after the Scheduled Maturity Date as a result of an extension in accordance with Condition 6.1B or C or otherwise, interest shall be payable at a rate calculated by the Calculation Agent in good faith by reference to EONIA or such other rate for overnight deposits in euro for the period commencing and (and including) the Scheduled Maturity Date to (and including) the Maturity Date; and
 - (c) the Credit Linked Portion of the Hybrid Securities shall be redeemed at an Instalment Amount on the Instalment Date and the Underlying Linked Portion of the Hybrid Securities shall be redeemed on the Maturity Date at their Final Settlement Amount.
- B. If an Underlying Adjustment Event or a Credit Adjustment Event occurs prior to or following the occurrence of the relevant Credit Event, the provisions of Condition 6.8 shall apply.
- C. Upon the satisfaction of the Conditions to Settlement in relation to any Reference Entity:
 - (i) if Auction Settlement is applicable in the Final Terms: the provisions of Condition 6.3 shall apply.
 - (ii) if Cash Settlement is applicable in the Final Terms: the provisions of Condition 6.4 shall apply
 - (iii) if Physical Settlement is applicable in the Final Terms: the provisions of Condition 6.5 shall apply.
- D. If a Credit Event Resolution Request Date occurs in relation to any Reference Entity then, unless the Issuer elects otherwise, the timing requirements that pertain to settlement of the CLNs or of the Credit-Linked Portion of the Hybrid Securities shall stand still and remain suspended until such date (the Suspension End Date) as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in the Definition of Credit Event Resolution Request Date or (b) not to determine such matters. Upon the occurrence of the relevant Suspension End Date, the relevant timing requirements of the relevant Settlement Method that have previously been suspended shall resume on the Business Day following such Suspension End Date (such terms, the Suspension Terms).
- E. With regard to the Conditions to Settlement
 - (i) each Credit Event Notice and Notice of Publicly Available Information will be given in accordance with Condition 19 and may be given irrespective of whether the relevant Credit Event is continuing or whether the dates of such notices fall after the Scheduled Maturity Date;
 - (ii) when the Calculation Agent is not the Guarantor or the Pledgor, all notices must also be sent to them. Failure to send a Credit Event Notice to the Guarantor and the Pledgor shall not affect the validity of the notices sent by the Calculation Agent; and
 - (iii) no Publicly Available Information shall be required in circumstances where ISDA publicly announces on or prior to the last day of the Notice Delivery Period that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Reference Obligation thereof.
- F. Where the Credit Event relates to a Reference Entity which is a Successor, then
 - (i) the provisions of Conditions 6 and 7 shall apply only in respect of the relevant CLNs or of the relevant Credit-Linked Portion;
 - (ii) the relevant tranche(s) shall be partially redeemed upon the satisfaction of the Issuer's obligations under Conditions 6 and 7;

- (iii) the relevant tranche(s) shall remain outstanding (until the earlier of the Maturity Date or a Credit Event in respect of all outstanding tranche(s)) and shall continue to accrue interest, if applicable; and
 - (iv) all references to "the CLNs" in Conditions 6 and 7 and shall be read and construed as references to "the relevant tranche(s) of CLNs".
- G. Where the CLNs are First/nth-to-Default CLNs, the Calculation Agent shall give a Credit Event Notice in respect of the First/nth Credit Event to occur in relation to any of the Reference Entities. If a Credit Event occurs with respect to more than one/"n" Reference Entity, the Calculation Agent shall in good faith select which Reference Entity/Entities shall be deemed to be subject to these Credit Event provisions.
- H. Where the CLNs are Basket CLNs or Index-Linked CLNs, there may be multiple Credit Event Determination Dates but only one Credit Event Determination Date in respect of each Reference Entity. A Credit Event Determination Date in respect of more than one Reference Entity may occur on any one date. For the avoidance of doubt, the provisions herein set out the mechanics that apply in respect of one Reference Entity and shall apply severally to each Reference Entity for Basket CLNs.
- I. Where Restructuring is specified in the Final Terms as being an applicable Credit Event, there may be more than one Credit Event Determination Date in respect of the same Reference Entity, and the provisions of Condition 7 will apply.

6.3 AUCTION SETTLEMENT TERMS

Upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, if Auction Settlement is specified as the applicable Settlement Method in the Final Terms, settlement of the Credit Event Portion of the CLNs shall take place by payment by the Issuer of the Auction Settlement Amount on the Auction Settlement Date, provided that if there is more than one Holder, each Holder shall be paid its pro rata share of the Auction Settlement Amount.

Without prejudice to the foregoing, but without duplication, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs, (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event, (d) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Restructuring has occurred or (e) the Issuer elects that Cash Settlement or Physical Settlement shall apply instead (such election to be made at any time prior to the Business Day falling immediately prior to the Auction Final Price Determination Date), settlement of the Credit Event Portion of the CLNs shall take place in accordance with Condition 6.4 or, as applicable, Condition 6.5.

If Unwind Cost is specified as applicable in the relevant final Terms, the Issuer shall pay the Auction Settlement Amount subject to adjustment after taking into consideration the Unwind Cost.

For the purpose of this Condition, the Auction Settlement Amount shall be considered as the Final Settlement Amount.

6.4 CASH SETTLEMENT TERMS

Upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, if (a) Cash Settlement is specified as the Settlement Method in the Final Terms or (b) Cash Settlement is specified as the Fallback Settlement Method in the Final Terms or (c) Cash Settlement is applicable in accordance with Conditions 6.3(e), 6.4 or 6.6, settlement of the Credit Event Portion of the CLNs shall, subject to the Suspension Terms, take place by payment by the Issuer of the Cash Settlement Amount on the Cash Settlement Date. If there is more than one Holder, each Holder shall be paid its pro rata share of the Cash Settlement Amount as determined by the Calculation Agent in good faith. If the Cash Settlement Amount is zero, such amount shall be deemed to be paid on the Cash Settlement Date.

If Unwind Cost is specified as applicable in the relevant final Terms, the Issuer shall pay the Cash Settlement Amount subject to adjustment after taking into consideration the Unwind Cost.

Unless Conditions 6.5 or 6.6 apply and subject to the Suspension Terms, the Calculation Agent, may give ten prior Business Days' notice (the **Notice of Valuation Obligations**) to the Holders (the date stated in such notice being the **Valuation Obligations Notice Date**) of:

- (a) a detailed description of the Deliverable Obligations (for such purpose, the **Valuation Obligations**) and/or cash that comprise the Portfolio ;
- (b) the estimated aggregate Outstanding Principal Balance of the Valuation Obligations that are intended to be valued and the estimated Outstanding Principal Balance of each such Valuation Obligation; and
- (c) the Valuation Date(s) on which the Valuation Obligations are to be valued.

The Calculation Agent may serve subsequent Notices of Valuation Obligations to change the Valuation Date(s) and/or one or more of the Valuation Obligation(s) or the amount of cash specified in the Notice of Valuation Obligations and/or the detailed description thereof at any time on or prior to the tenth Business Day before the final Valuation Date and the last Notice of Valuation Obligations served within this period shall override all previous such notices. The Calculation Agent may correct any errors or inconsistencies in the detailed description of the Valuation Obligations specified in the Notice of Valuation Obligations by notice to the Calculation Agent and the Holders at any time prior to the applicable Valuation Date(s).

On the Valuation Date(s), the Calculation Agent shall commence determination of the Final Price using the Valuation Obligations specified in the Notice of Valuation Obligations (or, if Conditions 6.5 or 6.6 apply, using the Undelivered Portion only of the Valuation Obligations specified in the Notice of Physical Settlement).

In determining the Final Price, the Calculation Agent may make any other determination that it deems relevant, acting in good faith and using all relevant data and financial information available to it, in particular the valuations obtained by the Calculation Agent under the Hedging Transaction, if applicable.

6.5 PHYSICAL SETTLEMENT TERMS

Upon satisfaction of the Conditions to Settlement in relation to any Reference Entity, if (a) Physical Settlement is specified as the Settlement Method in the Final Terms or (b) Physical Settlement is specified as the Fallback Settlement or (c) Physical Settlement is applicable in accordance with Condition 6.3(e), then the Issuer may, subject to the Suspension Terms, redeem the Credit Event Portion of the CLNs by procuring the Delivery to each Holder of its pro rata share of the Portfolio (a) reduced by an amount of Deliverable Obligations determined by the Calculation Agent as a consequence of the Credit Event, in good faith, to equal in value the Delivery Expenses in respect of such proportion of the Portfolio and (b) rounded down to the nearest integral authorised denomination of the relevant Deliverable Obligation(s) to be delivered (the amount of such Deliverable Obligations, the **Physical Settlement Amount**), all as determined by the Calculation Agent in good faith, and irrespective of whether the relevant Credit Event is continuing.

If Unwind Cost is specified as applicable in the relevant final Terms, the Issuer shall pay the Physical Settlement Amount subject to adjustment after taking into consideration the Unwind Cost.

In order to redeem the CLNs by delivery of the Portfolio, the Calculation Agent shall give at least ten Business Days' prior notice (the **Notice of Physical Settlement** and the date of such notice, the **Delivery Commencement Date**) to the Calculation Agent and the Holders of:

- (a) the Delivery Commencement Date
- (b) the Physical Settlement Date

- (c) a detailed description of the Deliverable Obligations and/or cash that will constitute the Portfolio
- (d) the estimated Outstanding Principal Balance of the Deliverable Obligation(s) that are to be delivered and the CUSIP or ISIN number of each Deliverable Obligation(s) if available (if such identifying number is not available the rate and tenor of the Deliverable Obligation(s)); and
- (e) the method by which the Holders must provide their settlement instructions to the Issuer or the Calculation Agent.

The Issuer or the Calculation Agent may serve subsequent Notices of Physical Settlement to change the Physical Settlement Date and/or one or more of the Deliverable Obligation(s) or the amount of cash comprising the Portfolio and/or the detailed description of the Deliverable Obligation(s) at any time on or prior to the Physical Settlement Date and the last Notice of Physical Settlement served within this period shall override all previous such notices. The Issuer may correct any errors or inconsistencies in the detail description of the Deliverable Obligation(s) by notice to the Calculation Agent and the Holders at any time prior to the date of delivery of the Portfolio.

Holders shall notify the Calculation Agent within five (5) Business Days of delivery of the Notice of Physical Settlement of their instructions for settlement in any major financial centre of the Deliverable Obligations comprising the Portfolio. Delivery shall be made in accordance with the market practice applicable to the Deliverable Obligation on the Physical Settlement Date, subject to the Suspension Terms set out below. If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Physical Settlement Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include such additional amount.

Subject to Condition 6.6 and the Suspension Terms, if the CLNs have not been redeemed by delivery of the Portfolio in accordance with this Condition 6.5 on or prior to the Physical Settlement Date then Condition 6.4 shall be deemed to apply and the Valuation Date for such purposes will be the date which is three Business Days after the Physical Settlement Date, the Valuation Obligations for such purposes shall be the Deliverable Obligations and the Cash Settlement Date will be the later of (i) the thirtieth (30) Business Day following the determination of the Final Price and (ii) the date on which settlement of any Hedging Transaction occurs.

6.6 FALLBACK TO CASH SETTLEMENT IF PHYSICAL SETTLEMENT IS IMPOSSIBLE OR ILLEGAL

If it is impossible or illegal for the Issuer to Deliver or for any Holder to receive any Deliverable Obligations comprising the Portfolio in accordance with Condition 6.5 as a result of a Settlement Disruption Event or otherwise, then the Issuer shall deliver that portion of such Deliverable Obligations which it is possible and legal to deliver with an explanation in writing of the reasons for non-delivery of the rest of the Deliverable Obligations (such remainder being the **Undelivered Portion**). If the impossibility or illegality continues for more than 30 days after the Physical Settlement Date (the **Final Delivery Date**), then Condition 6.5 shall apply with respect to the Undelivered Portion that cannot be delivered and the relevant CLNs which have not been redeemed as a consequence, and the Valuation Date for such purposes will be the date which is three Business Days after the Final Delivery Date (such date, the **Fallback to Cash Settlement Valuation Date**) and the Valuation Obligations for such purposes shall be the Deliverable Obligations comprising the Undelivered Portion. Where the provisions of this Condition 6.6 apply, the final Valuation Date being the later of (a) 135 Business Days after the Credit Event Determination Date and (b) the Fallback to Cash Settlement Valuation Date with the Cash Settlement Date will be the later of (i) the 13th Business Day (or such shorter period as determined by the Calculation Agent) following the determination of the Final Price and (ii) the date on which settlement of any Hedging Transaction occurs.

6.7 ALTERNATIVE SETTLEMENT FOR CERTAIN LOANS IN RESPECT OF PHYSICAL SETTLEMENT

If the Issuer is unable to deliver by way of assignment or novation certain Loan(s) (**Undeliverable Loan Obligation(s)**) due to the non-receipt of any requisite consents and such consents are not obtained or deemed given by the 13th day following the Delivery Commencement Date, the Issuer shall be released from any obligation to deliver such Undeliverable Loan Obligation and the Issuer shall, from time to time, deliver to each Holder any amount received by it in respect of the Undeliverable Loan Obligation(s) during the period commencing on the Delivery Commencement Date and expiring on the Business Day which is one year after the Delivery Commencement Date (**Alternative Settlement End Date**), provided that such amounts received are able to be transferred to the Holder(s) and on the Alternative Settlement End Date the Issuer shall be released from its requirement to perform any outstanding or future (contingent or otherwise) obligation with respect to the CLNs and the CLNs shall be cancelled forthwith on the Alternative Settlement End Date.

If the Issuer, at any time before the Alternative Settlement End Date, obtains or is deemed to be given consent to assign or novate any outstanding Undeliverable Loan Obligation(s) the Issuer may, or if it is requested by the Holder, shall use reasonable endeavours to, assign or novate such Undeliverable Obligation(s) to the Holder(s), after which the CLNs shall be cancelled forthwith and all obligations (outstanding or otherwise) of the Issuer with respect to the CLNs shall be immediately discharged thereafter.

6.8 ADJUSTMENT EVENTS

If the Calculation Agent, in good faith, at any time prior to the expiration of the Notice Delivery Period, one of the events specified in subConditions A to E au-dessous (each an **Adjustment Event**) has occurred and is continuing, the Calculation Agent may (but shall not be obliged to) determine any adjustment to any term or condition of the CLNs or of the hybrid Securities, which it deems appropriate in the context of the CLNs or of the hybrid Securities issuance. The Issuer or the Calculation Agent shall notify Holders of any adjustment made pursuant to this Condition 6.8 as soon as reasonably practicable in accordance with Condition 19. If the Calculation Agent determines that any such adjustment is impossible or inappropriate, it may (but shall not be obliged to) request the Issuer to notify the Holders of an early settlement of the CLNs or of the Credit-Linked Portion of the Hybrid Securities in which case the Issuer shall terminate its obligations under the CLNs or under the Credit-Linked Portion of the hybrid Securities and shall pay to the Holders the Capitalised Fair Market Value, as deemed appropriate by the Calculation Agent in good faith. If Capitalised Fair Market Value is applicable in the Final Terms, the Early Settlement Amount shall be equal to the Capitalised Fair Market Value which for the purposes of this paragraph means the fair market value of the CLN of of the Credit-Linked Portion of the Hybrid Security capitalised between the Event Effective Date and the Settlement Date at the capitalised EONIA rate appearing on the Bloomberg EONCAPL7 Index screen page, or any other rate specified in the applicable Final Terms.

The following events shall constitute an Adjustment Event:

A. Hedging Disruption

means in respect of CLN or Credit-Linked Portion of Hybrid Securities that have one or more Reference Entity that as determined in good faith by the Calculation Agent, an Adjustment Event that will be deemed to have occurred and be continuing if the Issuer and/or any of its affiliates is unable after using commercially reasonable efforts, to (i) acquire, establish, re-establish, replace, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that it deems necessary to hedge the credit price risk relating to the CLNs or to the Credit-Linked Portion of Hybrid Securities (or any other relevant price risk including but not limited to the currency, interest rate risk relating to the CLNs or to the Credit-Linked Portion of Hybrid Securities) or (ii) realise, recover or remit the proceeds of any such type of transaction(s) or asset(s).

B. Change in Law

means in respect of CLN or Credit-Linked Portion of Hybrid Securities that have one or more Reference Entity that as determined in good faith by the Calculation Agent, an Adjustment Event that will be deemed to have occurred and be continuing if, on or after the Issue Date (i) due to the adoption of, any change in the application or official interpretation of any applicable law or regulation including without limitation, any tax law or (ii) due to the

promulgation of or any new interpretation or 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 unlawful, illegal or impossible for the Issuer and/or any of its affiliates to hold the CLNs or Credit-Linked Portion of Hybrid Securities or for the Issuer and/or any of its affiliates to hold, dispose of or acquire Hedging Transactions or it will incur a materially increased cost in performing its obligations under the CLN or under the Credit-Linked Portion of Hybrid Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

C. Increased cost of hedging

means in respect of CLN or Credit-Linked Portion of Hybrid Securities that have one or more Reference Entity that as determined in good faith by the Calculation Agent, an Adjustment Event that will be deemed to have occurred and be continuing if there is an increase in the actual or potential cost (which shall include any tax, duty, expense or fee (other than brokerage commissions)) to the Issuer and/or any of its affiliates to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedging Transaction(s) with respect to the relevant CLNs or Credit-Linked Portion of Hybrid Securities or (ii) realise, recover or remit the proceeds of any such Hedging Transaction(s) provided that any increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed to be an Adjustment Event.

D. Adjustment to or replacement of an Index

(i) Calculation and publication of an Index by a sponsor

If an Index ceases to be calculated and/or published by the Sponsor(s) of such Index on the Valuation Date or on an earlier date, but is calculated and/or published by another person, organisation or successor designated by the Sponsor or any other competent authority (the **New Sponsor**), the reference level of the Index shall be determined on the basis of the level of the Index as calculated and/or published by the New Sponsor.

The name of the New Sponsor and the terms and conditions for the calculation and/or distribution of the Index shall be transmitted as soon as possible to the Holders in accordance with Condition 19.

(ii) Change in the calculation or replacement of an Index

If, on the Valuation Date or an earlier date, the Sponsor or, if applicable, the New Sponsor or any other competent authority significantly changes the method of calculating an Index, or if the Sponsor replaces an Index with a new Index and such new Index must be used as the new underlying instrument of the CLNs or of the Credit-Linked Portion of Hybrid Securities, the Calculation Agent may:

- (a) use the Index so calculated or replace the Index with the new index, as applicable, by multiplying it, if necessary, by a factor that ensures the continuity of the Index used as the underlying instrument for the CLNs or Credit-Linked Portion of Hybrid Securities; the Index so calculated or the new index, as applicable, as well as the factor, if necessary, shall be notified as soon as possible to the Holders in accordance with Condition 19; or
- (b) proceed with the Substitution of the affected Index

(iii) Non publication or cessation of the calculation of an Index

If, on a Valuation Date or an earlier date, the Sponsor or the New Sponsor does not publish or definitively stops calculating an Index without providing a new Index, or if it is no longer possible to use an Index normally as the Index underlying the CLNs or Credit-Linked Portion of Hybrid Securities, the Calculation Agent may proceed with the Substitution of the affected Index.

E. Settlement Disruption Events and Market Disruption Events

An Adjustment Event will be deemed to have occurred and be continuing if, on or after the Issue Date, a Settlement Disruption Event occurs and is continuing.

If at any time that credit default swap(s) are required to be notionally entered into or terminated pursuant to the Conditions, the Calculation Agent, in good faith determines that there are, at such time, prevailing market conditions (including the liquidity of the relevant market) such that credit default swap(s) cannot be not be transacted on commercially reasonable terms (whether as to price or otherwise) or it would not otherwise be economically viable or it would be impossible or undesirable for any other reason outside the control of the Issuer to notionally enter into or terminate credit default swap(s), (such event, a **Market Disruption Event**), then such event shall constitute an Adjustment Event and the Calculation Agent shall determine the adjustment, if any, required to be made to any term or Condition of the CLNs, the credit default swap(s) which it determines in good faith appropriate as a result thereof. Determinations by the Calculation Agent under this Condition of the occurrence of and cessation of a Market Disruption Event shall (i) be made by reference to then prevailing market prices, market conditions and confirmations of, or as provided by, one or more independent market participants or (ii) be confirmed by a certificate signed by a managing director (or equivalent) of the Issuer.

F. Credit Adjustment of the Hybrid Securities

If the Calculation Agent determines that any such adjustment is impossible or inappropriate on the Adjustment Event termination Date in respect of the Credit Adjustment Event (the **Credit Adjustment Event Determination Date**) and:

- (i) If **European Settlement** is specified as applicable in the Final Terms, the following provisions shall apply:
- (a) the Underlying Linked Portion of the Hybrid Securities shall not be affected by the occurrence of the Credit Adjustment Event and interest (if any) or any other non-principal amount linked to the Underlying Linked Portion of the Hybrid Securities will not continue to accrue until the Maturity Date unless "Include European Settlement Interest Accrual" is specified as applicable in the relevant Final terms; and
 - (b) the Calculation Agent shall determine in good faith the Hybrid Capitalised Fair Market Value of the Credit-Linked Portion of the Hybrid Securities on the Credit Adjustment Event Determination Date for the period commencing on the Credit Adjustment Event Determination Date and ending on the Maturity Date; and
 - (c) the Hybrid Securities shall be redeemed at their Final Settlement Amount on the Maturity Date,

provided that, if an Equity Adjustment Event occurs prior to the occurrence of the Credit Adjustment Event, the provisions of Condition 6.8 G shall apply.

- (ii) If **American Settlement** is specified as applicable in the Final Terms, the following provisions shall apply:
- (a) the Calculation Agent shall determine in good faith the Hybrid Fair Market Value of each of the Credit-Linked Portion and the Underlying Linked Portion of the Hybrid Securities on the Credit Adjustment Event Determination Date payable by the Issuer no later than thirty (30) Business Days following the occurrence of the Credit Adjustment Event Determination Date, unless otherwise provided in the Final Terms; and
 - (b) the Hybrid Securities shall be redeemed at their Final Settlement Amount on the date specified in (a) au-dessus,

provided that, if an Equity Adjustment Event occurs prior to the occurrence of the Credit Adjustment Event, the provisions of Condition 6.8G (ii) shall apply.

- (iii) If **Settlement by Instalments** is specified as applicable in the Final Terms, the following provisions shall apply in respect of the relevant Instalment Amount:
- (a) the Underlying Linked Portion of the Hybrid Securities shall not be affected by the occurrence of the Credit Adjustment Event and interest (if any) or any other non-principal amount linked to the Underlying Linked Portion of the Hybrid Securities shall continue to be payable until the Maturity Date;
 - (b) the Calculation Agent shall determine in good faith the Hybrid Fair Market Value in respect of the Credit-Linked Portion of the Hybrid Securities on the Credit Adjustment Event Determination Date payable by the Issuer no later than thirty (30) Business Days following the occurrence of the Credit Adjustment Event Determination Date unless otherwise provided in the Final Terms; and
 - (c) the Credit Linked Portion of the Hybrid Securities shall be redeemed at their Instalment Amount on the later of the relevant Settlement Date and the date specified in subparagraph (b) above and the Underlying Linked Portion of the Hybrid Securities shall be redeemed on the Maturity Date on their Final Settlement Amount,

provided that, if an Equity Adjustment Event occurs prior to the occurrence of the Credit Adjustment Event, the provisions of Condition 6.8 G(iii) shall apply.

The Issuer or the Calculation Agent shall notify Holders of any adjustment made pursuant to this Condition 5.8 as soon as reasonably practicable in accordance with Securities Condition 19.

G. Underlying Adjustment of the Hybrid Securities

If the Calculation Agent in good faith determines that an Underlying Adjustment Event has occurred, the relevant provisions of Condition 5.7 to 5.14 shall apply (provided that any reference to a "Certificate" or "Certificates" shall be replaced by "Hybrid Security" or "Hybrid Securities").

If the Calculation Agent determines that any such adjustment is impossible or inappropriate (such date of determination, an **Underlying Adjustment Event Determination Date**):

- (i) if **European Settlement** is specified as applicable in the Final Terms, the following provisions shall apply:
- (a) the Credit-Linked Portion of the Hybrid Securities shall not be affected by the occurrence of the **Underlying** Adjustment Event and interest (if any) or any other non-principal amount linked to the Underlying Linked Portion of the Hybrid Securities will not continue to accrue until the Maturity Date unless "Include European Settlement Interest Accrual" is specified as applicable in the relevant Final terms
;
 - (b) the Calculation Agent shall determine in good faith the Hybrid Capitalised Fair Market Value of the Underlying Linked Portion of the Hybrid Securities on the Underlying Adjustment Event Determination Date for the period commencing on the Underlying Adjustment Event Determination Date and ending on the Maturity Date; and
 - (c) the Hybrid Securities shall be redeemed at their Final Settlement Amount on the Maturity Date,

provided that, if a Credit Adjustment Event (as defined in Condition 6.8 F) occurs prior to the occurrence of the Equity Adjustment Event, the provisions of Condition 6.8 F(i) shall apply.

- (ii) if **American Settlement** is specified as applicable in the Final Terms, the following provisions shall apply:

- (a) the Credit-linked Portion of the Hybrid Securities shall not be affected by the occurrence of the Underlying Adjustment Event and the Final Settlement Amount in respect of the Credit-linked Portion of the Hybrid Securities shall be determined by the Calculation Agent in good faith;
- (b) the Calculation Agent shall calculate in good faith the Hybrid Fair Market Value of the Underlying Linked Portion of the Securities on the Underlying Adjustment Event Determination Date for the period commencing on the Underlying Adjustment Event Determination Date and ending on the relevant Settlement Date, payable by the Issuer no later than 30 Business Days following the Equity Adjustment Event Determination Date, unless provided otherwise in the Final Terms;
- (c) the Hybrid Securities shall be redeemed at their Final Settlement Amount on the date specified in subparagraph (b) above,

provided that, if a Credit Adjustment Event occurs prior to the occurrence of the Equity Adjustment Event, the provisions of Condition 6.8 F (ii) shall apply.

(iii) if **Settlement by Instalments** is specified as applicable in the Final Terms, the following provisions shall apply to the relevant Instalment Amount:

- (a) the Credit-linked Portion of the Hybrid Securities shall not be affected by the occurrence of the Equity Adjustment Event and the Final Settlement Amount in respect of the Credit-linked Portion shall be determined by the Calculation Agent in good faith;
- (b) interest shall cease to be payable in respect of the Underlying Linked Portion of the Hybrid Securities as of the Equity Adjustment Event Determination Date and the Calculation Agent shall calculate in good faith the Fair Market Value of the Underlying Linked Portion of the Securities on the Equity Adjustment Event Determination Date for the period commencing on the Equity Adjustment Event Determination Date and ending on the relevant Settlement Date, payable by the Issuer no later than thirty (30) Business Days following the Equity Adjustment Event Determination Date, unless otherwise provided in the Final Terms; and
- (c) the Credit Linked Portion of the Hybrid Securities shall be redeemed at the Maturity Date and the Underlying Linked Portion of the Hybrid Securities shall be redeemed at their Instalment Amount on the later of the relevant Settlement Date and the date specified in subparagraph (b) above,

provided that, if a Credit Adjustment Event occurs prior to the occurrence of the Equity Adjustment Event, the provisions of Condition 6.8 F (iii) shall apply

6.9 UNDERLYING SETTLEMENT AMOUNT

The Underlying Settlement Amount may be settled by the Issuer on the relevant date by (i) payment of a cash amount equal to the Underlying Settlement Amount, as specified in the Final Terms or (ii) by delivery of the Quantity of Shares, Units or Debt Instruments specified or determined as indicated in the Final Terms. Physical Settlement shall be effected by the delivery of Shares, Units or Debt Instruments. No rights to dividends on the Shares, Units or Debt Instruments shall accrue for the benefit of the Holder before such date, unless the Final Terms provide otherwise.

No fractional Share, Unit or Debt Instrument shall be transferred by the Issuer; therefore, in the event of fractional shares, units or debt instruments, the Issuer shall deliver a whole number of Shares, Units or Debt Instruments immediately lower than the Quantity of Shares, Units or Debt Instruments, and shall pay a cash balance to each relevant Holder, in place and instead of this fractional Share, Unit or Debt Instrument, calculated by reference to the trading price of the Share or of the Debt Instrument or the Net Asset Value of the Fund on the Valuation Date.

If an event outside the Issuer's control prevents the transfer of the Shares, Units or Debt Instruments (the **Delivery Failure**), the delivery of the other Shares, Units or Debt Instruments shall not be affected.

The physical settlement of the Shares, Units or Debt Instruments affected by the Delivery Failure shall be made in accordance with the Conditions.

The Issuer may, acting in good faith, substitute Cash Settlement for a Physical Settlement, subject to informing the Holders in accordance with Securities Condition 19

6.10 DETERMINATION OF CREDIT EVENT

When determining the existence of a Credit Event, the determination shall be made without regard to (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however, described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described. If the Calculation Agent determines that an occurrence constitutes a Credit Event such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon, the circumstances described in above.

In determining whether a payment failure has (or may have) occurred, the Calculation Agent may rely on evidence of non-receipt of funds.

6.11 LIABILITIES

None of the Issuer, any of its Affiliates nor the Guarantor has any duty, obligation or responsibility towards a Holder unless otherwise agreed in writing with that Holder or in these Conditions. In particular, without limiting the foregoing, none of the Issuer, any of its Affiliates nor the Guarantor need provide information to, act on the instruction or request of, find alternative mechanisms for realising money for, or take into account the views of any Holder. In taking action against third parties, the Issuer, its Affiliates and the Guarantor may combine holdings of debt, securities or other interests as they shall see fit and apply proceeds thereof. The Issuer may only waive contractual obligations in respect of the CLNs in writing.

6.12 CURRENCY CONVERSION

The Issuer or the Calculation Agent, as the case may be, will, when determining the Specified Currency equivalent of amounts denominated or payable in currencies other than the Specified Currency as set out in the Final Terms, do so by reference to the relevant central bank in relation to such Specified Currency at or around the 10.00 a.m. (Paris time) mid spot rate as displayed on the relevant Reuters Page on the relevant date, or in such other commercially reasonable manner as the Issuer or the Calculation Agent, as the case may be, will determine in good faith, in particular the currency rates used by the Calculation Agent.

6.13 CANCELLATION AND PARTIAL SETTLEMENT

Upon settlement of any CLN, including satisfaction of the Issuer's obligations under Condition 6 and/or, as the case may be, 7, such CLN will be cancelled forthwith save that the CLNs shall be partially redeemed only where a Credit Event has occurred with respect to one or more, but not all, tranches of CLNs.

6.14 PERFORMANCE OF ISSUER'S OBLIGATIONS

Any obligation of the Issuer may be performed by an Affiliate or a person designated by the Issuer. If an Affiliate and/or a designee performs the obligations of the Issuer hereunder, the Issuer shall be discharged of its obligations to the extent of such performance.

6.15 ADDITIONAL PROVISIONS RELATING TO CERTAIN SPECIFIC REFERENCE ENTITIES

A. Additional provisions applicable if Reference Entity in the applicable Final Terms is “Argentine Republic”

If Argentine Republic is specified as a Reference Entity in the applicable Final terms, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of Obligation in Condition 1.2 and / or 1.3 , any obligation that is a Bond that was issued on or prior to June 1, 2005¹ (other than any Bond constituting a New Security (as defined in the Prospectus Supplement of the Republic of Argentina dated January 10, 2005 as the same may be amended or supplemented) shall not be considered as an Obligation.

Notwithstanding the definition of Deliverable Obligation in Condition 1.2 and / or 1.3 , any obligation that is a Bond that was issued on or prior to June 1, 2005² (other than any Bond constituting a New Security (as defined in the Prospectus Supplement of the Republic of Argentina dated January 10, 2005 as the same may be amended or supplemented) shall not be considered as a Deliverable Obligation.

B. Additional provisions applicable if Reference Entity in the applicable Final Terms is “Hellenic Republic”

If Hellenic Republic is specified as a Reference Entity in the applicable Final terms, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of Obligation in Condition 1.2 and / or 1.3 , any obligation that is type included in Borrowed Money Obligation category and that was issued or incurred, as the case may be on or prior to February 1, 2012 shall not be considered as an Obligation.

Notwithstanding the definition of Deliverable Obligation in Condition 1.2 and / or 1.3 , any obligation that is a Bond or Loan Obligation Category and that was issued or incurred, as the case may be on or prior to February 1, 2012 shall not be considered as a Deliverable Obligation.

C. Additional provisions applicable if Reference Entity in the applicable Final Terms is “Republic of Hungary”

If Republic of Hungary is specified as a Reference Entity in the applicable Final terms, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of Obligation in Condition 1.2 and / or 1.3 , Obligation shall include any National Bank of Hungary Obligation.

For the purposes of the applicable Final Terms

National Bank of Hungary Obligation means any obligation of the national Bank of Hungary (either directly or indirectly or as provider of a Relevant Guarantee) and any Successor (i) which has the Obligation Characteristic “Not Subordinated”, where solely for such purpose of the definition of “Not Subordinated” shall be construed as if the National Bank of Hungary were the Reference Entity and no Reference Obligation has been specified; (ii) which is described by the Obligation Category specified in respect of the Republic of Hungary; (iii) which has each of the Obligation Characteristics specified in respect of the Republic of Hungary and (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation of the Republic of Hungary in respect of the Obligation Category Borrowed Money to become, with the lapse of any grace period and

¹ Available on the website: http://mecon.gouv.ar/finanzas/download/us_prospectus-and-prospectus-supplement.pdf

² Available on the website: http://mecon.gouv.ar/finanzas/download/us_prospectus-and-prospectus-supplement.pdf

subject to any other requirements under terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable pursuant to the terms of such Borrowed Money obligation.

Notwithstanding the definition of Deliverable Obligation in Condition 1.2 and / or 1.3, Deliverable Obligation shall also include any National Bank Hungary Deliverable Obligation.

For the purposes of the applicable Final Terms,

National Bank of Hungary Deliverable Obligation means any obligation of the national Bank of Hungary (either directly or indirectly or as provided as provider of a Relevant guarantee), any Successor (i) which has the Deliverable Obligation Characteristic “Not Subordinated”, where solely solely for such purpose the definition of “Not Subordinated” shall be construed as if the National Bank of Hungary were the Reference Entity and no Reference Obligation has been specified; (ii) which is described by the Deliverable Obligation Category specified in the Republic of Hungary; (iii) which has each of the Deliverable Obligation Characteristics specified in respect of the Republic of Hungary and (iv) in relation to which the occurrence or existence of an Event of Default (as defined below) will cause any obligation of the Republic of Hungary in respect of the Obligation Category Borrowed Money to become, with the lapse of any grace period and subject to any other requirements under terms of such Borrowed Money obligation (including requirements as to the amounts of such default), immediately due and payable pursuant to the terms of such Borrowed Money obligation.

Event of Default means any failure by the National bank of Hungary as issuer or obligor or guarantor of the relevant obligation, to make, when due any payment of principal or premium or prepayment charge or interest, if any on such obligation.

D. Additional provisions applicable if Reference Entity in the applicable Final Terms is “Russian Federation”

If Russian Federation is specified as a Reference Entity in the applicable Final terms, the following provisions will apply with respect to this Reference Entity:

Notwithstanding the definition of Obligation in Condition 1.2 and / or 1.3, any obligation that is in the determination of the Calculation Agent, “IANS”, “MINFINS” or “PRINS” shall not be considered as an Obligation.

Notwithstanding the definition of Deliverable Obligation in Condition 1.2 and / or 1.3, any obligation that is in the determination of the Calculation Agent, “IANS”, “MINFINS” or “PRINS” shall not be considered as shall not be considered as a Deliverable Obligation.

“**IANS**” means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement, dated as of 6 October 1997 among Vnesheconombank of the USSR, the closing agent and the Participating creditors named therein.

“**MINFINS**” means International Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i) restructured debt of the former USSR (Series I, II, III, IV and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII).

“**PRINS**” means Vnesheconombank’s loans arising under a Restructuring Agreement and an Exchange Agreement dated as of 6 October 1997, among Vnesheconombank of the USSR, the Closing Agent and the Participating Creditors named therein.

E. Additional provisions applicable if a Reference Entity in the applicable Final Terms is “STMicroelectronics N.V”

If “STMicroelectronics N.V” is specified as a Reference Entity in the applicable Final Terms, the following provisions will apply with respect to this Reference Entity:

If the applicable Final Terms specify that Cash Settlement is applicable:

With Repsect to the Reference Entity “STMicroelectronics N.V”, if the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics N.V is an Obligation; and such Obligation is not immediately due and payable as of the relevant Valuation Date, for the purpose of determining the Quotation Amount of such Obligation, the Outstanding Principal Balance of such Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Obligation.

If the applicable Final Terms specify that Physical Settlement is applicable:

With Repsect to the Reference Entity “STMicroelectronics N.V”, if the USD 1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics N.V is a Deliverable Obligation; and such Deliverable Obligation is not immediately due and payable as of where such Deliverable Obligation is Delivered, the Outstanding Principal Balance of such Deliverable Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Deliverable Obligation.

7. RESTRUCTURING CREDIT EVENT APPLICABLE

For the purpose of the present Condition 7, the term CLN means, as the case may be, the CLN, the Credit Linked Portion of the Hybrid Securities.

7.1 MULTIPLE CREDIT EVENT NOTICES

Where Restructuring is an applicable Credit Event in relation to any Reference Entity, unless otherwise specified in the Final Terms, upon the occurrence of a Restructuring Credit Event in relation to such Reference Entity:

- (a) the Calculation Agent may deliver Multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the aggregate outstanding principal amount to which such Restructuring Credit Event applies (the **Exercise Amount**);
- (b) the provisions of these Conditions shall be deemed to apply to an aggregate outstanding principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly; and
- (c) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen 100,000,000 units) in which the aggregate outstanding principal amount is denominated or an integral multiple thereof or the entire aggregate outstanding principal amount

In the case of a First/nth-to-Default CLN, once the Conditions to Settlement have been satisfied in respect of the First/nth Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

7.2 RESTRUCTURING MATURITY LIMITATION DATE AND FULLY TRANSFERABLE OBLIGATION APPLICABLE

If "Restructuring Maturity Limitation Date and Fully Transferable Obligation Applicable" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement and may be included in the Portfolio only if it:

- (a) is a Fully Transferable Obligation; and
- (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

7.3 MOD R (2014 CLN)

If "Mod R" is specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement and may be included in the Portfolio only if it:

- (a) is a Fully Transferable Obligation; and
- (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

7.4 MODIFIED RESTRUCTURING MATURITY LIMITATION DATE AND CONDITIONALLY TRANSFERABLE OBLIGATION APPLICABLE

If "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation Applicable" are specified in the Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it:

- (a) is a Conditionally Transferable Obligation; and
- (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

7.5 MOD MOD R (2014 CLN)

If "Mod Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it:

- (a) is a Conditionally Transferable Obligation; and
- (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

7.6 SOVEREIGN REFERENCE ENTITIES

Solely in respect of a Restructuring Credit Event applicable to a Sovereign Reference Entity, Deliverable Obligation means any Sovereign Restructured Deliverable Obligation that is (i) payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, s applicable (ii) is not subject to any counterclaim or defence or right of set off by or of such Sovereign Reference Entity or as applicable an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than an Qualifying Affiliate Guarantee, capable as of the Physical Settlement Date or the Valuation Date as applicable of immediate assertion or demand by or on behalf of the holder or holders against such Sovereign Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being delivered or valued apart from the giving of any notice of non-payment or similar procedural requirement it being understood that acceleration of the Underlying Obligation shall not be considered a procedural requirement.

8. ADDITIONAL PROVISIONS RELATING TO MONOLINE REFERENCE ENTITIES

For the purpose of the present Condition 8, the term CLN means, as the case may be, the CLN, the Credit Linked Portion of the Hybrid Securities.

8.1 INTERPRETATION OF PROVISIONS

In the event that an Obligation, a Deliverable Obligation or a Valuation Obligation is a Qualifying Policy, the second part of the definition of "Qualifying Guarantee" starting with "If an Obligation" will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

- (a) the terms "Borrowed Money" and "Bond" shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" shall be construed accordingly;
- (b) references in the definitions of "Assignable Loan" and "Consent Required Loan" to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively
- (c) if "Assignable Loan", "Consent Required Loan", or "Transferable" are specified as Deliverable Obligation Characteristics applicable to the Reference Entity to which these additional terms are applied and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
- (d) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

8.2 OBLIGATION AND DELIVERABLE OBLIGATION

The definitions of "Obligation" and "Deliverable Obligation" and are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".

8.3 OUTSTANDING PRINCIPAL BALANCE

References in the definition of "Outstanding Principal Balance" in Condition 1.2 and / or 1.3 above to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument shall be disregarded for the purpose of the definition of "Outstanding Principal Balance" in Condition 1.2 and / or 1.3 above, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By incorporating this provision in a document, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

8.4 DELIVER

The term "deliver" with respect to an obligation that is a Qualifying Policy means to deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised

custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "delivery" and "delivered" will be construed accordingly

8.5 PROVISIONS FOR DETERMINING A SUCCESSOR

The definition of "Successor" in Condition 1.2 and / or 1.3 is hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee" and by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".

8.6 ORIGINAL NON-STANDARD REFERENCE OBLIGATION, SUBSTITUTE REFERENCE OBLIGATION AND SUBSTITUTION EVENT

The definitions of "Original Non-Standard Reference Obligation", "Substitute Reference Obligation" and "Substitution Event" in Condition 1.2 and / or 1.3 are hereby amended by adding "or Qualifying Policy" after "a guarantee".

8.7 RESTRUCTURING

(a) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (a)(i) to (v) of the definition of "*Restructuring*" in Condition 1.3 are amended to read as follows:

- (i) a reduction in the rate or amount of the Instrument Payments described in the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
- (ii) a reduction in the amount of the Instrument Payments described in the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in the definition thereof or (B) the payment of the Instrument Payments described in the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
- (iv) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
- (v) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which, in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

(b) Subparagraph (b)(iv) of the definition of "*Restructuring*" in Condition 1.3 is deleted in its entirety and replaced by the following:

"the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (a)(v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another

currency and occurs as a result of action taken by a Governmental Authority or a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy”.

- (b) The definition of "*Restructuring*" is amended and the Paragraphs (c) and (d) of the definition of "*Restructuring*" in Condition 1.3 are deleted in their entirety and replaced by the following:

“(c) For the purposes of paragraphs (a) and (b) above and, unless Multiple Holder Obligation is specified as “Not Applicable” in the applicable Final Terms, paragraph (f) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in paragraph (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (b) above shall continue to refer to the Reference Entity.

(d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a)(i) to (a)(v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

(e) For the purposes of paragraphs (a) and (b) above and, unless Multiple Holder Obligation is specified as “*Not Applicable*” in the applicable Final Terms, paragraph (f) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in paragraph (a) above shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in paragraph (b) above shall continue to refer to the Reference Entity.

(f) Unless Multiple Holder Obligation is specified as “Not Applicable” in the applicable Final Terms, then, notwithstanding anything to the contrary in paragraphs (a), (b), (c) and (e) above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.”

8.8 FULLY TRANSFERABLE OBLIGATION AND CONDITIONALLY TRANSFERABLE OBLIGATION

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in the definition of Restructuring Maturity Limitation Date, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Interest Balance will occur.

9. INTERPRETATION

If the Obligation Characteristic "Listed" is specified in the Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Bonds (as set out in the Final Terms).

If (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Bonds (as set out in the Final Terms); (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that the relevant obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, obligations other than Loans (as set out in the Final Terms)); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Loans (as set out in the Final Terms).

If the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, any of Borrowed Money, Loan or Bond or Loan Loans (as set out in the Final Terms) and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of determining whether such obligation is Borrowed Money, Bond or Loan, the Qualifying Guarantee shall be deemed to satisfy the relevant definitions as those that describe the Underlying Obligation
- (b) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the Final Terms.
- (d) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

- (e) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (f) The terms "Outstanding Principal Balance" and "Due and Payable Amount", when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

10. NO REQUIREMENT FOR LOSS

Nothing in the Conditions shall require the Issuer to hold the whole or any part of any Reference Obligation at any time and this Supplement will apply irrespective of the Issuer's credit exposure to the Reference Entity or the Reference Obligation, and the Issuer need not suffer any loss nor provide evidence of any loss as the result of the occurrence of a Credit Event.

11. TAXATION AND DELIVERY EXPENSES

Notwithstanding anything to the contrary in the Conditions, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any CLN and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. For the avoidance of doubt the Issuer shall have no obligation to 'gross up' payments hereunder and shall be entitled to reduce any amount payable by it by, or reduce the amount of Deliverable Obligations deliverable by it by an amount of any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, and/or other taxes or duties arising from the holding, delivery and/or transfer of Obligations or any other assets in connection with the issue or performance of the CLNs shall be for the account of the Holders (the **Delivery Expenses**).

12. CALCULATION AGENT

The Issuer reserves the right at any time to vary or terminate the appointment of the Calculation Agent provided that it shall at all times maintain a Calculation Agent. Notice of any such termination or appointment will promptly be given to the Holders in accordance with Condition 19.

Subject to the express provisions of this CLN, if any provision of this CLN Base Prospectus permits a determination or calculation to be made by the Calculation Agent, acting in any capacity, during a particular period of time, it may make it at any time during that period and no failure or delay to make it at a particular time within such period shall be deemed to be a waiver of its ability to make it later in that period or in any subsequent period during which it may make it.

The Calculation Agent is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Holder, and any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Holders.

13. PAYMENTS

13.1 PAYMENT METHOD

Any Payment of principal and interest in respect of the Securities shall, in the case of administered account Securities, be made by transfer to an account denominated in the Settlement Currency and opened with the relevant Accredited Financial Intermediaries on behalf of the Holders and, in the case of Securities in pure registered form, to an account denominated in the Settlement Currency with a bank specified by the relevant Holders. All payments validly made to such Account Custodians shall discharge the Issuer from its payment obligations.

13.2 PAYMENTS SUBJECT TO TAX LEGISLATION

All payments shall be subject to (i) all legislation, regulations, or directives, particularly those of a fiscal nature; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between

the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such intergovernmental agreement). No commission or fee shall be borne by the Holders at the time of such payments.

13.3 DESIGNATION OF THE AGENTS

The Financial Agent, the Paying Agents, the Calculation Agent and the Pledged Account Custodian initially designated by the Issuer, as well as their respective designated offices, are listed at the end of this document. The Financial Agent and the Paying Agents act solely as agents of the Issuer, and the Calculation Agents as independent experts and, in any event, are not bound by any obligation as an agent with regard to the Holders. The Issuer reserves the right to amend or terminate at any time the agency capacity of the Financial Agent, any paying agent, the Calculation Agent or the Pledged Account Custodian, and to appoint additional Financial Agent or Agents, Paying Agent or Agents, Calculation Agent or Agents, or Pledged Account Custodian or Custodians provided that there are, at any time:

- (a) a Financial Agent;
- (b) one or more Registrars and/or Calculation Agents when required by the Conditions;
- (c) a Paying Agent in Luxembourg as long as the securities are listed on the Luxembourg Stock Exchange;
- (d) if the conclusions reached by the ECOFIN Council during its deliberations of 26 and 27 November 2000 are implemented, a paying agent that has its offices in a Member State of the EU, which shall not force said paying agent to make a withholding or deduction in accordance with the European Directive on the taxation of savings (a paying agent that may be one of those cited in (c) above);
- (e) a Principal Paying Agent in Paris;
- (f) a Pledged Account Custodian; and
- (g) any other agent that may be required by any other equity market on which the Securities are listed for trading.

Any such amendment or change to a designated office must be made known in a notice sent immediately to the Holders in accordance with the provisions of Condition 19.

13.4 BUSINESS DAYS FOR PAYMENT

If any payment date in respect of any Security is not a business day, the Holder may not claim any payment until the following business day, nor any other sum because of this postponement, subject to the applicable Business Day Convention. In this paragraph, **Business Day** means a day (other than Saturday or Sunday) (1) on which Euroclear France, Clearstream Luxembourg or Euroclear or any other settlement-delivery system or depositary used for the relevant Securities (as applicable) operates, (2) on which the banks and foreign exchange markets are open in the countries indicated as **Additional Financial Markets** in the Final Terms, and (3) (a) in the case of a payment in a currency other than the euro, when the payment must be made by wire transfer to an account with a bank in the relevant currency, a day on which exchange transactions may be performed in said currency on the principal financial market of the country in which this currency is legal tender, or (b) in the case of a payment in Euros, a day that is a TARGET 2 Business Day.

13.5 LATE PAYMENT OR DELIVERY

- (h) In the event of late payment by the Issuer of any sum due in respect of the Securities that do not give entitlement to payment of interest, the Issuer must pay each Holder concerned late payment interest that will automatically be due without prior formal demand and will be calculated on said sum from the date on which the payment should have been made (inclusive) to the effective payment date (exclusive) at the EONIA rate or any other rate indicated in the Final Terms. Such interest shall be capitalised if it remains due for a period greater than one year.

- (i) In the event of late delivery of any Deliverable Underlying due on CLN or all or part of the Quantity of Shares, Units or Debt Instruments due on Certificates, the Issuer must pay to each relevant Holder late payment interest that shall be automatically due without prior formal demand and will be calculated on the value of said Deliverable Underlying or said Quantity of Shares, Units or Debt Instruments from the scheduled delivery date (inclusive) to the effective delivery date (exclusive), at the EONIA rate or any other rate indicated in the Final Terms. Such interest shall be capitalised if it remains due for a period greater than one year.

14. EARLY TERMINATION EVENT

Any Holder may, by sending a written notice to the Financial Agent (with a copy to the Issuer), trigger the settlement (in the case of Certificates) or settlement (in the case of CLN and Hybrid Securities) of each of the Securities he holds if one of the following events or circumstances occur:

- (a) (x) failure to pay the principal or (y) failure to pay the interest by the Issuer for more than fifteen (15) days from the date on which said payment is due and payable; or
- (b) failure by the Issuer to perform any one of its obligations in respect of the Securities, failure by the Guarantor to perform any one of its obligations in respect of the Exane Guarantee, failure by the Pledgor to perform any one of its obligations with respect to the Pledge (this failure may, however, be invoked only by a Holder that is a beneficiary of the relevant Pledge), if such failure is not corrected within forty five (45) days from the date the Financial Agent receives the notice of said failure given by the Holder of the relevant Securities; or
- (c) a liquidator, a provisional liquidator, an official receiver or an ad hoc agent, acting pursuant to the company law governing the Issuer or a significant portion of its assets, liabilities or holdings is appointed, or any person benefiting from a security interest takes possession of all or part of the assets or holdings of the Issuer, or the Issuer takes measures to obtain protection or obtains protection from its creditors pursuant to the governing legislation, or the Issuer generally ceases to make its payments, or ceases or threatens to cease operating its business, but excluding a merger or reorganisation operation during which all the Issuer's assets are transferred and in which all liabilities and debt (including the Securities) of the Issuer are assumed by another entity which may continue the activity of the Issuer; or
- (d) the Guarantor requests the appointment of a mediator, reaches an amicable settlement with its creditors, has ceased to make payments, or a court ruling has ordered the liquidation of the Guarantor or approved a plan for full assignment of the Guarantor's business pursuant to court-ordered receivership proceeding, or the Guarantor is the subject of similar proceedings or, in the absence of legal proceedings, the Guarantor reaches a composition with its creditors, or a resolution is approved by the Guarantor to liquidate or dissolve the Guarantor, but excluding a merger or reorganisation operation during which all the Guarantor's assets are transferred, or the major portion of the Guarantor's liabilities and debt (including the Securities) is assumed by another entity that continues the Guarantor's business; or
- (e) the Exane Guarantee (or the Pledge, although this failure may be invoked only by a Holder benefiting from the relevant Pledge) would be declared null and void, or claimed as such by the Guarantor.

The Early Settlement Amount for each Security shall be due upon receipt of this formal notice, with the Issuer not requiring any other notice, unless, at the time of this receipt, none of the events or circumstances cited in this Condition have occurred.

The occurrence of events or circumstances described above shall be notified by the Pledged Account Custodian to the Holders in accordance with Condition 19 as soon as it has knowledge of said events or circumstances.

15. COLLECTIVE ORGANISATION OF HOLDERS

As each Security constitutes a separate claim, there shall be no collective organisation of Holders.

16. TAXATION

Withholding tax: All payments of principal, interest and other revenues in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

No gross-up: If any applicable law should require that payments of principal or interest or other revenues in respect of any Security, be subject to any such withholding tax or deduction, neither the Issuer, nor the Guarantor, nor the Pledgor will be required to pay any additional amounts in respect of any such withholding tax or deduction.

The Issuer and the Guarantor/Pledgor shall not assume any liability or obligation for the payment of any taxes, duties, rights, tax withholdings at source or other charges which may result from the ownership or transfer of the Securities, and all payments made by the Issuer or, if applicable, by the Guarantor and Pledgor, shall be made subject to all taxes, duties, rights, tax withholdings at source or other charges that may have to be discharged, paid, taken or deducted.

17. STATUTE OF LIMITATIONS

Actions brought against the Issuer in respect of the Securities or interest shall be time barred on the expiry of a period of five (5) years (for the principal) or five years (for interest) from the relevant due date.

18. PURCHASES AND HOLDING OR CANCELLATION

The Issuer may at any time make purchases of Securities on the stock market, through a public offer or in any other manner.

All Securities purchased by or on behalf of the Issuer may, at the option of the Issuer, be held or cancelled in accordance with applicable laws and regulations.

Securities purchased by the Issuer for cancellation, shall be cancelled by transfer to an account pursuant to the rules and procedures of Euroclear France and provided they are transferred. All such Securities, in the same manner as all Securities settled by the Issuer, shall be immediately cancelled (as well as all rights to the payment of interest and other amounts in respect of said Securities). Securities so cancelled or transferred for cancellation may not be re-issued or resold, and the Issuer shall be discharged from any obligation in respect of such Securities.

19. NOTICES AND NOTIFICATIONS

Notices to be sent to Holders pursuant to these Conditions may be delivered to Euroclear France, Euroclear, Clearstream Luxembourg or to any other central depository(ies), common depository or depository (the **System**) on which the Securities are cleared at that time and as specified in the Final Terms. Such a notice shall be considered to have been validly served as of the date on which the System receives the notice. However, as long as Securities are listed on any equity market and the rules of this market so require, notices must also be published on the website of the relevant Regulated Market, which will, in principle, be the website of Luxembourg Stock Exchange (www.bourse.lu) in the case of the Luxembourg Stock Exchange.

If such publication cannot, in practice, be made, the notice shall be deemed to have been validly given if it is published in a recognised English language daily newspaper widely distributed in Europe. The Holders shall be considered to have been informed of the content of such notices on the publication date or, if the notice is published several times on different dates, on the first publication date.

20. SUBSTITUTION OF THE ISSUER

The Issuer, or any company that had previously been substituted for it, may at any time, without the consent of the Holders, substitute as principal debtor of the obligations arising from the Securities any company (the **Substitute Issuer**), which may be the Issuer or another company, provided that:

- (a) the Guarantor and the Issuer unconditionally and irrevocably guarantee the performance of the obligations of the Substitute Issuer in respect of the Securities, to the benefit of the Holders, that the Holders benefiting from the Pledge shall also continue to benefit therefrom, and that the Guarantor and the Pledgor are not in a state of cessation of payments;
- (b) all measures, conditions and formalities that must be taken, satisfied and performed (including obtaining all consents necessary) in order to guarantee that the Securities constitute for the Substitute Issuer legal and enforceable obligations, shall have been taken, satisfied and performed respectively and shall be in full force and effect;
- (c) such a substitution has no unfavourable tax impact for the Holders;
- (d) the Substitute Issuer shall become a party to the Agency Agreement, with all appropriate corresponding changes, in the same way as if it had been a party thereto originally;
- (e) the Issuer must have advised the Holders of such substitution at least thirty (30) days in advance in accordance with Condition 19;
- (f) if the Securities are subject to a Moody's rating, any substitution of the Issuer shall also be notified to Moody's in the conditions described in subparagraph (e) above. The Substitution of the Issuer will take place upon a prior written notice to Moody's confirming that this substitution will not cause the deterioration of the Certificate rating in effect.

21. SUBSTITUTION OF THE GUARANTOR

The Guarantor may at any time, without the consent of the Holders, substitute as joint debtor of the obligations arising from the Securities any other company (the **Substitute Guarantor**), provided that:

- (a) the Guarantor unconditionally and irrevocably guarantees the performance of the obligations of the Substitute Guarantor in respect of the Securities, to the benefit of the Holders, that the Holders benefiting from the Pledge shall also continue to benefit therefrom, and that the Substitute Guarantor and the Pledgor are not in a state of cessation of payments;
- (b) all measures, conditions and formalities that must be taken, satisfied and performed (including obtaining all consents necessary) in order to guarantee that the Securities constitute for the Substitute Guarantor legal and enforceable obligations, shall have been taken, satisfied and performed respectively and shall be in full force and effect;
- (c) such a substitution has no unfavourable impact for the Holders;
- (d) the Issuer must have advised the Holders of such substitution at least thirty (30) days in advance in accordance with Condition 19;
- (e) if the Securities are subject to a Moody's rating, any substitution of the Guarantor shall also be notified to Moody's in the conditions described in subparagraph (d) above. The Substitution of the Guarantor will take place upon a prior written notice to Moody's confirming that this substitution will not cause the deterioration of the Certificate rating in effect.

22. SUBSEQUENT ISSUES

The Issuer shall have the option, without the consent of the Holders, to issue additional Securities identical in all respects (or identical in all respects, with the exception of the first interest payment) to the existing Securities of the same Series, which shall have the same ISIN code.

23. GOVERNING LAW AND JURISDICTION

23.1 GOVERNING LAW

The Securities shall be governed by French law and shall be construed in accordance with French law.

In case of any inconsistency between the French and the English versions of the Securities Conditions, the French version of the Securities Conditions shall prevail.

23.2 JURISDICTION

Any claim against the Issuer or the Guarantor in respect of the Securities must be brought before the competent courts within the jurisdiction of the Paris Court of Appeal. The Issuer elects domicile at the registered offices of the Guarantor for any instrument, formality or procedure filed against it or to which it is a party in respect of the Securities.

24. USE OF PROCEEDS

The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from each issue of Securities will be used to establish various hedge financial instruments in respect of such Securities. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

CONDITIONS OF THE FIRST DEMAND GUARANTEE OF EXANE DERIVATIVES

in respect of the Securities issued by Exane Finance

Unofficial free translation for information purposes only of the French language version. In the event of any discrepancies, ambiguity or conflict between the French text and this translation, the French text shall prevail.

Exane Finance (the **Issuer**) may issue under or outside its debt issuance programme (i) any securities either (a) linked to one or more, or a combination of, shares, indices, units or shares of collective investment schemes, futures contracts, exchange rates, debt instruments, listed options or commodities (the **Certificates**), or (b) linked to the creditworthiness of one or more reference entity/ies (the **Credit Linked Notes** or **CLN**), or (c) indexed to a combination of one or more Underlyings of the Certificates with one or more credit events in respect of one or more reference entities of the CLN (the **Hybrid Securities**) (together, the **Complex Debt Securities**), (ii) any bonds either (a) linked to one or more, or a combination of, shares, indices, units or shares of collective investment schemes, futures contracts, exchange rates, debt instruments, listed options or commodities (the **Bonds**), or (b) linked to the creditworthiness of one or more reference entity/ies (the **Credit Linked Notes** or **CLN**), or (c) linked to a combination of one or more Underlyings of the Bonds with one or more credit events in respect of one or more reference entities of the CLN (the **Hybrid Securities**) (together the **Complex Bonds**) and (iii) any warrants (together with the Complex Debt Securities and the Complex Bonds, the **Exane Securities**). The manager of Exane Derivatives has authorised Exane Derivatives (the **Guarantor**) to grant an Exane Guarantee in favour of the Holders of Exane Securities (the **Holders**).

1. Exane Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees, to the extent authorised by its Management, that, in the event of the Issuer's failure to pay when due (whether this date is the normal date, or whether it results from an early settlement or any other reason) any amount due on Exane Securities, for any reason whatsoever, it shall pay the said amount to the Holders in the payment currency required, by immediately making the funds available at the payment location required before the closing of banking operations on said date. All the Guarantor's payments must be made in accordance with the relevant Exane Securities conditions.

2. Joint liability of the guarantor and the Issuer

The Guarantor hereby recognises that it is bound absolutely by the obligations defined hereinafter, and cannot claim to benefit from any legal circumstance constituting an exemption from liability or grounds for defence of a guarantor. For this purpose, the Guarantor recognises that it shall not be discharged, nor shall its liability be reduced, at any time, by payment terms, a waiver or an agreement given to the Issuer or to any other person, or by the failure of enforcement proceedings brought against the Issuer or any other person. In addition, the Guarantor recognises (1) that it shall not be discharged from its obligations if the Issuer's obligations become null and void because of a problem with the capacity, limitation or absence of authority of the Issuer (which includes a lack of capacity of the persons who have entered into the agreement on behalf or in the name of the Issuer), (2) that its obligations pursuant to this Exane Guarantee shall remain in force and shall continue to produce their effects notwithstanding the dissolution, merger, consolidation or reorganisation of the Issuer, or if bankruptcy proceedings are initiated against the Issuer, or any other procedure similar to the receivership or liquidation of the Issuer, (3) that it shall not invoke any right of subrogation in the rights of the Holders and that it shall not initiate any procedure to obtain the execution of a right or any demand against the Issuer as long as amounts remain due by the Issuer in respect of Exane Securities, (4) that its obligations under this Exane Guarantee shall not be dependent upon or subject to the validity or the enforcement of any other security granted by the Issuer or any other person to the Holders, nor to the existence or the creation of any security to the benefit of the Holders; and (5) that notice or formal demand by the Issuer or any other person is not a condition precedent to a payment by the Guarantor under this Exane Guarantee.

3. Extension of the Guarantor's liability

The obligations of the Guarantor under this Exane Guarantee shall remain in force and shall continue to produce all their effects as long as amounts remain due on Exane Securities.

4. Settlement by the Issuer

If a payment received by a Holder is declared null and void pursuant to any rule governing bankruptcy proceedings or any other procedure similar to the receivership or liquidation of the Issuer, such payment shall not be deducted from the Guarantor's obligations and this Exane Guarantee shall continue to apply as if such payment were still due from the Issuer.

5. Enforceability of the Conditions

The Guarantor undertakes to comply with the conditions of the relevant Exane Securities.

6. Governing law and jurisdiction

This Exane Guarantee shall be governed by and construed in accordance with French law. The Guarantor hereby agrees for the exclusive benefit of the Holders, that the competent courts within the jurisdiction of the Paris Court of Appeal shall have jurisdiction to rule on any action or proceeding with respect to this Exane Guarantee.

Signed in Paris, 3rd June 2013

EXANE DERIVATIVES

By: Bertrand LEONARD,

Deputy CEO of Exane Derivatives Gérance, Manager of Exane Derivatives

CONDITIONS OF THE PLEDGE

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FORM OF
STATEMENT OF PLEDGING OF SECURITIES ACCOUNT
(Governed by article L. 211-20 and D.211-10 et seq. of the French monetary and financial code)

THE UNDERSIGNED:

EXANE DERIVATIVES, a French general partnership (*société en nom collectif*) with share capital of [●] Euros, registered under number 491 294 567 RCS Paris, with registered offices at 16 avenue Matignon 75008 Paris, represented by [●], duly authorised for the purposes herein;

referred to hereinafter as the **Pledgor**,

ACTING PURSUANT TO THE PROVISIONS OF:

The debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and the final terms dated [●] (the **Final Terms**) with respect to the issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date: [●] (the **Securities**);

PLEDGES THE FOLLOWING SECURITIES ACCOUNT:

Pledged Account name: [●]

Pledged Account number: [●]

referred to hereinafter as the **Pledged Account**

OPENED IN THE BOOKS OF:

[●], [corporate form] with a share capital of [●], registered under number [●] RCS [●] with registered offices at [●], represented by [●], duly authorised for the purposes herein;

referred to hereinafter as the **Pledged Account Custodian**

IN WHICH THE FOLLOWING FINANCIAL INSTRUMENTS HAVE BEEN INITIALLY REGISTERED:

Quantity	Description	ISIN Code	Currency	Unit value

IN FAVOUR OF THE PLEDGEE(S):

EXANE DERIVATIVES, the initial subscriber of the Securities described in the Final Terms, residing at 16, avenue Matignon – 75008 Paris – France, as well as any subsequent Holder of one or more Securities (i) whose name appears in the books of an Accredited Financial Intermediary (i.e., any financial institution authorised to hold accounts in the name of its clients on Euroclear France or in the books of any other depositary nominated in the

Final Terms (such as SIX SIS AG Ltd in Switzerland), including the current depositary bank of Clearstream Banking, a joint stock company, or any bank that may succeed it in this capacity, and Euroclear Bank SA/NV, as operator of the Euroclear system) with Euroclear France, in the case of bearer or administered registered Securities, or (ii) whose name appears in the accounts of the Issuer or the Registrar in the case of Securities in pure registered form.

each one being hereinafter referred to as the **Pledgee**

AS GUARANTEE FOR THE PAYMENT OF THE AMOUNTS DUE IN RESPECT OF THE OBLIGATION DEFINED HEREINAFTER:

Each payment obligation and liability due under the Securities, whether present or future, actual, contingent or owed jointly or severally (or any other capacity whatsoever), of the Issuer to the Pledgee, within the limits of the mark to market of the Securities without Issuer spread.

referred to hereinafter as the **Secured Debt**

UNDER THE FOLLOWING CONDITIONS:

Pursuant to the provisions of article L. 211-20 of the French monetary and financial code, the Pledgor pledges in favour of the Pledgee(s) the Pledged Account to guarantee the payment of each Secured Debt, about which it declares it is fully informed, until payment in full of said debt.

The Pledgor declares that the Pledged Account and the financial instruments described in this statement carry no restrictions whatsoever.

The Pledgor grants the Pledge in accordance with the provisions of article 2334 of the French civil code. Consequently, the Pledgee(s) may exercise their rights under this Agreement with respect to the Pledged Account only, without benefiting from any personal recourse against the Pledgor.

1. Basis of the Pledge

The amounts in all currencies and the Eligible Financial Instruments in the Pledged Account, the amounts and instruments which are substituted therefor or added to them, in any manner, as well as the income and revenues therefrom in any currency (including any dividend or any other distribution in any form) are included in the basis of the Pledge.

The Pledgor has the option to substitute, in whole or in part, other Eligible Financial Instruments with at least an equivalent value.

2. Adjustment of the value of the Pledge

On each Pledge Calculation Date, until the release of the Pledge, the Pledged Account Custodian must determine the total value of the Eligible Financial Instruments and amounts in all currencies in the Pledged Account. If, on a Pledge Calculation Date, this total value is less than the Minimum Pledge Value or the Fixed Pledge Value, as set out in the Final Terms, the Pledged Account Custodian must inform the Pledgor no later than the Business Day following such determination.

In that case, the Pledgor shall be required to credit the Pledged Account, no later than two Business Days after receipt of the notice from the Pledged Account Custodian, with the number of Eligible Financial Instruments or amounts necessary so that the total value of the Eligible Financial Instruments and amounts in all currencies in the Pledged Account is at least equal to the Minimum Pledge Value or equal to the Fixed Pledge Value. Any failure by the Pledgor with respect to this obligation to adjust the value of the

Pledge shall be notified to the Pledgees by the Pledged Account Custodian in accordance with Condition 19 within five Business Days of its occurrence.

Conversely, if, on any Pledge Calculation Date, the total value of the Eligible Financial Instruments and amounts in all currencies in the Pledged Account is greater than the Minimum Pledge Value or the Fixed Pledge Value, the Pledged Account Custodian must inform the Pledgor no later than the Business Day following such a determination, and transmit to the Pledgor a partial release of the Pledge for the corresponding value to allow the Pledgor to bring the total value of the Eligible Financial Instruments and amounts in all currencies in the Pledged Account to the Minimum Pledge Value or Fixed Pledge Value. This release shall be in the form of a certificate from the Pledged Account Custodian in the form that appears in the Base Prospectus. No later than the following Business Day, the Pledgor shall indicate to the Pledged Account Custodian the financial instruments or amounts that it wishes to receive in order to bring the total value of the financial instruments and amounts in all currencies in the Pledged Account to the Minimum Pledge Value or Fixed Pledge Value.

However, the Pledgor may no longer request a reduction in the total value of the Eligible Financial Instruments and amounts in any currencies in the Pledged Account to the Minimum Pledge Value or Fixed Pledge Value if a Pledgee sends the Pledgor a Formal Demand described in article 5 hereinafter.

Should the Securities be the subject of a Moody's rating, any change to the conditions for exercising the Pledged Account Custodian role may lead to a review of the Pledged Account parameters in order to obtain confirmation of the Securities rating by Moody's.

3. Operations on securities in the Pledged Account

In the event of a takeover bid, exchange offer, public repurchase offer or, more generally, any financial operation on the financial instruments in the Pledged Account that may result in an adjustment, the Pledgor may substitute for the relevant financial instruments other Eligible Financial Instruments with a value at least equal to the financial instruments that it wishes to replace.

4. Partial or total release of the Pledge

Upon settlement by the Issuer or, if applicable, the Guarantor, or if the Issuer cancels a Security (following a market purchase, a public offer or any other manner), the Pledgor may obtain a total or partial release of the Pledge, as applicable. This release shall take the form of a Certificate of Valid Settlement from Euroclear France or the Settlement Confirmation Agent, in the form provided in the Base Prospectus, indicating that each relevant Security has been settled in full in favour of the Holders' account custodians, the list of which has been provided by the Principal Paying Agent or cancelled by the Issuer.

The Pledgor must provide the Certificate of Valid Settlement from Euroclear France or from the relevant Settlement Confirmation Agent to the Pledged Account Custodian. Once this certificate has been provided to the Pledged Account Custodian, the Pledgor may freely dispose of all or part, as applicable, of the financial instruments or amounts in all currencies in the Pledged Account in order to bring the total value of the financial instruments and amounts in all currencies in the Pledged Account to the Minimum Pledge Value or to the Fixed Pledge Value, in case of partial release.

The Pledged Account Custodian shall ensure that the cash settlement or the physical settlement to be made by the Issuer, or the Guarantor, if applicable, equals the amount indicated in the Final Terms. In the event of a disagreement for more than one Business Day between the Pledged Account Custodian and the Calculation Agent, the Calculation Agent must designate a leading bank or an investment bank acting on the interbank market (or, if applicable, the money market, the swaps market, or the over the counter index options market) most closely connected to the calculations to be made, so that said bank can perform the required calculation, with the exception of any member of the Exane group. The amount determined by this bank may not be disputed by the Calculation Agent, the Pledged Account Custodian, or any other person.

Upon payment of the amount calculated by this bank, the Pledged Account Custodian may obtain the necessary release.

5. Enforcement of the Pledge

Any Pledgee owed a certain, liquid, due and payable debt may enforce the Pledge in the amount of his Secured Debt plus enforcement costs, eight calendar days after the Formal Demand provided in the Base Prospectus and sent to the Issuer by registered letter, with copies to the Pledgor and the Pledged Account Custodian, has remained unanswered. In order to request the enforcement of the Pledge, each relevant Pledgee must send an Instruction for Enforcement of the Pledge in the form provided in the Base Prospectus to the Pledged Account Custodian by registered letter.

The Pledge shall then be enforced, for each relevant Security, or when relevant, for the relevant amounts, up to the limit of the Secured Debt, pursuant to applicable laws and regulations and in accordance with paragraphs (a), (b) and (c) below and the common procedure described in paragraph (d) below:

(a) Enforcement process - Financial securities eligible to direct attribution

Pursuant to articles L. 211-20-V et D. 211-12 of the French monetary and financial code, for French or foreign securities traded on a regulated market, the enforcement will take place, for each financial security, within the limits of the Secured Debt, by allotment with full ownership on the basis of the last available closing price on the regulated market on the Exchange Business Day preceding the allotment date;

For units or shares of collective investment schemes as defined by article L.214-1 of the French monetary and financial code, the enforcement will take place, for each financial security, within the limits of the Secured Debt, by allotment with full ownership on the basis of the last available valuation of such units or shares on the Business Day preceding the allotment date.

(b) Enforcement process - Financial securities not eligible to direct attribution

For securities other than financial securities eligible to direct attribution (described in paragraph (a) above), the enforcement of the Pledge, will take place, for each financial security, within the limits of the Secured Debt, by request for ownership to the benefit of the Pledgee pursuant to article 2348 of the French civil code.

The enforcement of the Pledge pursuant to article 2348 of the Civil Code will be performed as follows:

- (i) the foreclosure (*attribution*) of the financial securities will take place three calendar days following the mailing of the Instruction for Enforcement of the Pledge from the Pledgee to the Pledgor and Pledged Account Custodian (the “**Foreclosure Date**”);
- (ii) the Pledgor and the Pledgee must appoint an expert as described below and in accordance with article 1843-4 of the French civil code to determine the value of the financial securities as at the Foreclosure Date (the “**Enforcement Value**”):
 - (A) the expert will be an institution specialising in the valuation of shares designated by the Pledgor and the Pledgee;
 - (B) if the Pledgor and the Pledgee fail to designate an expert within seven (7) calendar days, the Pledgor will request the President of the Paris Commercial Court (*Tribunal de commerce de Paris*) acting by way of summary proceedings (*en la forme des référés*) to appoint an expert among international and independent auditing firms. The decision of the President of the Paris Commercial Court will be final;

- (iii) the expert will be in charge of determining the Enforcement Value on the Foreclosure Date;
- (iv) the valuation made by the expert appointed under Paragraph (ii) above will be final and binding on the Pledgor and Pledgee; and
- (v) if the sum of the Enforcement Value and amounts in all currencies in the Pledged Account are higher than the outstanding amount of the Secured Debt on the date of the enforcement of the Pledge, then the excess shall be returned to the Pledgor.

(c) Enforcement process – Amounts in currency

For amounts in any currency in the Pledged Account, the enforcement of the pledge will be performed directly by transfer with full ownership to the Pledgee.

(d) Enforcement process – Common process

Enforcement shall be performed by the Pledged Account Custodian by first allotting to each relevant Pledgee in priority order French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings. The number of French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings to be allotted shall be calculated so that each Secured Debt can receive an equal number of French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings recorded in the Pledged Account at the time the Pledged Account Custodian receives the first Instruction for Enforcement of the Pledge in the form provided in the Base Prospectus. Fractional French or foreign transferable securities traded on a regulated market or units or shares in collective investment undertakings, if any, shall be paid by allotting to each relevant Pledgee amounts in any currency recorded in the Pledged Account.

Neither the Pledged Account Custodian nor the Pledgee shall incur any liability with respect to the Pledgor or any third party as the result of an order for enforcement or the price at which the Pledge is enforced. The costs for enforcing the Pledge shall be borne by the Pledgor and shall be charged against the proceeds from this enforcement.

In the event that the financial instruments and/or amounts recorded in the Pledged Account are denominated in a currency different from the currency of the Secured Debt, the foreign exchange rate that shall be applied to value, attribute or transfer the Pledge shall be the reference foreign exchange rate of the European Central Bank as it is available at 11.00 a.m. (Paris time) on the European Central Bank's website on the date of the operation planned or, if no quotation is possible on this date, the first available quotation that follows.

6. Addresses for notices made pursuant to this document

Pledgor: Exane Derivatives

Address: 16 avenue Matignon – 75008 Paris

Attention: [●]

Telephone: [●]

Fax: [●]

Issuer: Exane Finance

Address: 16 avenue Matignon 75008 Paris

Attention: [●]

Telephone: [●]

Fax: [●]

Pledged Account Custodian: [●]

Address: [●]

Attention: [●]

Telephone: [●]

Fax: [●]

Any change in contacts details may be made by giving a five (5) Business Days' notice to the Issuer and/or to the Pledgor, and or to the Pledged Account Custodian.

7. Miscellaneous

The provisions of this Pledge shall remain in full force and effect with respect to any person who assumes, for any reason, the rights of the Pledgee.

The provisions of this Pledge shall remain in full force and effect with respect to any person who assumes, for any reason, the rights of the Pledgor.

This Pledge is and shall be in addition to all tangible and personal guarantees that have been or may be provided to the Pledgee by the Pledgor, by the Issuer or by any third party.

This Statement of Pledge shall be notified to the Pledged Account Custodian,

The costs in respect of this instrument shall be borne by the Pledgor.

Unless the context otherwise specifically requires, capitalised terms used in this Statement of Pledge and not otherwise defined herein shall have the meanings specified for such terms in the Final Terms and on the Conditions defined in the Base Prospectus.

8. Governing law and jurisdiction

This Statement of Pledge is governed by French law. Any dispute with respect to its validity, interpretation or execution shall be submitted to the competent courts within the jurisdiction of the Paris Court of Appeal.

Signed in Paris in two originals,

On [●].

By Exane Derivatives as Pledgor

By: [●] Title: [●]	By: [●] Title: [●]

ACKNOWLEDGEMENT OF A PLEDGING OF SECURITIES ACCOUNT

(Governed by article L.211-20 and articles D.211-10 of the French monetary and financial code)

The terms defined in the debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and in the final terms dated [●] (the **Final Terms**) with respect to the issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date : [●] (the **Securities**), and in the statement of pledging of securities account relating to the Securities and dated [●] (the **Statement of Pledge**), shall have the same meaning when they are used in the Securities..

After reading the Statement of Pledge:

- (a) dated [●];
- (b) signed by Exane Derivatives as the Pledgor;
- (c) in favour of [name(s)], the initial subscriber of the Securities described in the Final Terms, residing at [●] as well as any subsequent Holder of one or more Securities (i) whose name appears in the books of an Accredited Financial Intermediary (ie, any financial institution authorised to hold accounts in the name of its clients on Euroclear France, including the current depositary bank of Clearstream Banking, a joint stock company, or any bank that may succeed it in this capacity, and Euroclear Bank SA/NV, as operator of the Euroclear system with Euroclear France, or in the books of any other depositary nominated in the Final Terms (such as SIX SIS AG Ltd in Switzerland), in the case of bearer or administered registered Securities, or (ii) whose name appears in the accounts of the Issuer or the Registrar in the case of Securities in pure registered form,

We, the undersigned, [●], acting as Pledged Account Custodian:

- (i) hereby acknowledge the Pledged Account of financial instruments, for which the references [●] appear in said Statement of Pledge and the receipt of the financial instruments and amounts in any currencies, the list of which appears in said Statement of Pledge;
- (ii) hereby acknowledge the Pledgor's option to substitute, in whole or in part, Eligible Financial Instruments of at least equivalent value for the Eligible Financial Instruments pledged;
- (iii) acknowledge that if the pledge is enforced by a Pledgee, such Pledgee shall present a securities account statement evidencing its right of claim over the Pledged Account in order for its instruction to be executed;
- (iv) acknowledge the modalities of the enforcement process of the Pledge described in the Statement of Pledge;
- (v) hereby agree to perform the role of Pledged Account Custodian and consequently to perform the duties and missions attached to such role, which shall consist of the following responsibility :
 - (a) ensure that the Pledgor does not dispose of the financial instruments and amounts in any currency recorded in the Pledged Account, subject to article 2 herein concerning the adjustment of the Pledge value;
 - (b) perform the duties it has been assigned under article 2 herein concerning the adjustment of the Pledge value and in article 4 herein concerning the partial or total release of the Pledge, and all responsibilities for informing the Pledgees set forth in the Conditions; and

- (c) if enforcement of the Pledge is demanded by a Pledgee, verify that a Formal Demand in the form provided in the Base Prospectus has been sent, and has remained unanswered, before proceeding with the enforcement requested.

Signed in Paris

On [●]

For [●] as Pledged Account Custodian

By: [●]

Title: [●]

FORM OF FORMAL DEMAND TO THE ISSUER

(To be sent by any Holder benefiting from a Pledge, if applicable)

Exane Finance
Capital Markets Legal Department
16 avenue Matignon
75008 Paris
France

Registered mail (return receipt requested)

Dear Sir or Madam,

The terms defined hereinafter shall have the same meaning as in the debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and in the final terms dated [●] (the **Final Terms**) with respect to the issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date: [●] (the **Securities**), and in the statement of pledging of securities account relating to the Securities and dated [●] (the **Statement of Pledge**). As a Holder of Securities issued pursuant to the above-mentioned issue, we hereby declare that we hold certain, liquid, due and payable debts totalling [●] according to a calculation provisionally made on [●].

We hereby remind you that, under the terms of the Statement of Pledge, Exane Derivatives has pledged to our benefit a Pledged Account (account number [●]), opened in the books of [● *relevant Pledged Account Custodian*], to guarantee, within the limits of the Secured Debt, your obligations to pay the Settlement Amount.

Therefore, we are formally demanding payment within eight days.

If full settlement is not made, we shall send an Instruction for Enforcement of the Pledge to the Pledged Account Custodian, and the Pledge shall be enforced in accordance with the enforcement order specified in the Statement of Pledge.

Yours faithfully,

Signed in [●]

On [●]

By: [●]

Title: [●]

Enclosure: statement of securities account

Copy sent by registered mail (return receipt requested): (1) Exane Derivatives, Capital Markets Legal Department, 16 avenue Matignon, 75008 Paris, France and (2) [relevant Pledged Account Custodian]

FORM OF INSTRUCTION FOR ENFORCEMENT OF THE PLEDGE

(To be sent by any Holder benefiting from a Pledge, on or after the ninth calendar day following receipt by the Issuer of a Formal Demand if, on said date, the Holder's debt has not been paid)

Attention: [relevant Pledged Account Custodian]

Registered mail (return receipt)

Dear [Madam or Sir],

The terms defined hereinafter shall have the same meaning as in the debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and in the final terms dated [●] (the **Final Terms**) with respect to the Issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date: [●] (the **Securities**), and in the statement of pledging of securities account relating to the Securities and dated [●] (the **Statement of Pledge**)

We hereby remind you that, under the terms of the Statement of Pledge, Exane Derivatives pledged in our favour a Pledged Account (account number [●]), opened in your books to secure its payment obligations in respect of the Secured Debt.

As the Holder of a certain, liquid, due and payable debt in respect of the Securities we hold, and in accordance with the procedure defined in the Base Prospectus and the Statement of Pledge, we have sent a Formal Demand to the Issuer on [●] and sent a copy thereof to the Pledgor and to yourselves.

In this Formal Demand, we have declared our debt for the sum of [●] based on a provisional calculation performed on [●], and formally demanded that the Pledgor pay us in full the amounts due within eight calendar days, i.e., no later than [●].

As no such payment was made by the Issuer within this period, we are hereby sending you this Instruction for Enforcement of the Pledge. Our certain, liquid, due and payable debt totals [●] according to the calculation on [●].

Pursuant to the provisions of the Base Prospectus and the Statement of Pledge, we are hereby requesting that you enforce the Pledge pursuant to the order for enforcement specified in the Statement of Pledge up to the amount of the Secured Debt.

Yours faithfully,

Signed in [●]

On [●]

By: [name of the Holder]

Address: [●]

**RELEASE OF THE PLEDGE – FORM OF CERTIFICATE
OF VALID SETTLEMENT**

TO BE DELIVERED

[On Euroclear France or the relevant Settlement Confirmation Agent's letterhead]

**[Exane Derivatives
Middle Office Dérivés
Fax No.: 01 42 89 38 59]**

BY FAX

Dear Sir or Madam,

Subject: Exane Finance Debt Securities Issue Programme – Release of the Pledge – Certificate of Valid Settlement

The terms defined hereinafter shall have the same meaning as in the debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and in the final terms dated [●] (the **Final Terms**) with respect to the Issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date: [●] (the **Securities**), and in the statement of pledging of securities account relating to the Securities and dated [●] (the **Statement of Pledge**) [We hereby certify that you have redeemed, then cancelled [number] Securities issued on [●].]/[We hereby certify that you have settled [number] Securities issued on [●] [at the price of [●] per Security]/We hereby certify that we have delivered [number] Securities received from the Principal Paying Agent to the benefit of account custodians for the beneficiaries, the list of which was provided to us by the Principal Paying Agent].]³

We invite you to verify with the Pledged Account Custodian whether the settlement that you have performed reduces the Secured Debt and, as a result, the [Minimum Pledge Value/Fixed Pledged Value]. If that is the case, we hereby confirm, pursuant to Condition 3.3(D) of the Base Prospectus and the provisions of the Statement of Pledge, the execution of the obligations, which justifies the release of the Pledge solely so that you may receive from the Pledged Account Custodian financial instruments and/or amounts in the Pledged Account so as to bring the total value of the financial instruments and amounts in the Pledged Account to the [Minimum Pledge Value/Fixed Pledged Value].

Yours faithfully,

Signed in [●]

On [●]

By: [●]
Title: [●]

Copy to: [●relevant Pledged Account Custodian]

**RELEASE OF THE PLEDGE – FORM OF CERTIFICATE
OF THE PLEDGED ACCOUNT CUSTODIAN**

[On the letterhead of the relevant Pledged Account Custodian]

**[Exane Derivatives
Middle Office Dérivés**

Fax No.: + 33 (0)1 42 89 38 59]

BY FAX

Dear Sir or Madam,

Subject: Exane Finance Debt Securities Issue Programme – Partial release of the Pledge – Certificate of the Pledged Account Custodian

The terms defined hereinafter shall have the same meaning as in the debt securities issue programme described in the base prospectus of Exane Finance in its capacity as Issuer and Exane Derivatives in its capacity as Guarantor and dated [●] (the **Base Prospectus**) as supplemented by any supplement relating thereto, if any, and in the final terms dated [●] (the **Final Terms**) with respect to the issue of [number or amount + commercial name] – Series No. [●] – ISIN Code: [●] – Issue Date: [●] (the **Securities**), and in the statement of pledging of securities account relating to the Securities and dated [●] (the **Statement of Pledge**)

As you know, on each Pledge Calculation Date, we determine the total value of the financial instruments and amounts in the Pledged Account.

The determination we have made on this date shows that the total value of the financial instruments and amounts recorded in the Pledged Account exceed the [Minimum Pledge Value/Fixed Pledged Value] by [●].

Pursuant to Condition 3.3(B) of the Base Prospectus and the provisions of the Statement of Pledge, you have the right to advise us in writing, no later than the Business Day following receipt of this certificate, of the financial instruments or amounts that you wish to be attributed in order to bring the total value of the financial instruments and amounts in the Pledged Account to the [Minimum Pledge Value/Fixed Pledged Value].

Please find enclosed a copy of the inventory of the financial instruments and amounts recorded as of this date in the Pledged Account.

Yours faithfully,

Signed in [●]

On [●]

By: [●]

Title: [●]

Enclosure: statement of securities account

Copy to: [relevant Pledged Account Custodian]

TECHNICAL ANNEX

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1. INTRODUCTION TO THE TECHNICAL ANNEX

This Technical Annex contains the calculation formulae (each a **Pay-Off Formula**) used to determine an amount of interest, early settlement amount or final settlement amount payable on a Security.

The description of a Pay-Off Formula uses one or more concepts linked to one or more Underlyings (as specified in the Final Terms). These Concepts are called Underlying Value, Applicable Value and Applicable Conditions:

- An Underlying Value may be obtained on an officially published market or a Reuters or Bloomberg screen page. From these sources, closing prices of shares or indices, net asset values (NAV) of funds, exchange rate or interest rate levels, official values of unlisted indices, the settlement value of a bond reaching maturity, the value of coupons detached from a bond over a period and the value of the dividends paid on a share over a given period may be obtained. This will therefore be an **Underlying Value** observed on a given date.
- Based on the values observed, combinations or calculations may be made, either individually in respect of a single Underlying, or collectively in respect of several Underlyings:
 - (a) For a single Underlying, it is possible, for example, to calculate:
 - (i) the maximum (or average or minimum) values of the Underlying observed over a given period or over a series of pre-determined dates (observation or determination dates);
 - (ii) the performance defined as the ratio between the values of the Underlying observed on two dates;
 - (iii) the historic volatility, based on a formula using the values of the Underlying observed over a given period;
 - (iv) a dynamic strategy determined from values of the Underlying observed on several dates and combined using a defined algorithm.
 - (b) For several Underlyings, different values can be calculated, for example:
 - (i) the weighted average of the values of the Underlyings observed on a given date;
 - (ii) the largest or smallest of the values of the Underlyings observed on a date; or the average performances of the Underlyings between two given dates, with application of a floor and/or a cap to each of the performances or to the average of the performances.
- More generally, it is possible to combine values calculated individually or collectively in respect of the Underlyings, to determine for example:
 - (i) the maximum performance achieved over a period by the weighted average of the performances of the Underlyings; or
 - (ii) the final value of the average of the three lowest performances of the Underlyings observed on a given date.

The calculations and combinations based on Underlying values observed on given dates (**Observation Dates or Determination Dates**) provide **determined or observed values**.

Together, the observed values and the determined values define the values based on which the principal settlement formulae (at maturity or early) and/or interest payments can be calculated. These will constitute the **Applicable Values** necessary to define the applicable Pay-Off Formula.

These Applicable Values (observed or determined) may be used as the basis of a “*condition*”, making settlement or interest payments dependent on the fulfillment of a condition relating to an Applicable Value. This is referred to as the **Applicable Condition**.

As an example, the payment of a fixed coupon on a given date may be subject to the condition that (i) the closing Underlying Value is greater than a predetermined fixed value, (ii) the average of the 3 worst performances of the Underlyings has at all times been above a predetermined fixed barrier for a given period, or (iii) the NAV of fund X is greater than the average NAV of fund Y observed over a given period.

The settlement and/or interest payment amounts are determined by reference to the Applicable Values and Applicable Conditions, and may therefore use a combination of indexation formulae applied to observed or determined values (**Applicable Values**) and conditions to application of these formulae (**Applicable Conditions**).

Example 1: Capital guaranteed product indexed to the annual average of fund X over 5 years (Call on the average)

Definition of the Indexed Final Settlement Amount (paragraph 8 a. iv. of the present Technical Annex) where:

- the Applicable Value: the annual average NAV of fund X observed on each Observation Date defined in the Final Terms, divided by the NAV of fund X observed on the Initial Observation Date
- the Settlement formula corresponds to the product of the Nominal Value and of the sum of 100% and the “Call” formula applied to the Applicable Value

Definition of the “Call” formula (paragraph 7 a. of the present Technical Annex) where:

- “Call” formula on an Applicable Value: $\text{Max}(0; \text{Applicable Value} - \text{Strike})$
- Strike: constant value defined in the Final Terms

Example 2: Classic auto-call on an index X (*Crescendo*)

Definition of the “Performance” Applicable Value (paragraph 4 a. ii. of the present Technical Annex) on a given date

- “Performance” on a given date: the closing value of index X on the relevant Observation Date or Determination Date, divided by the closing value of index X on the Initial Observation Date or Initial Determination Date.

Definition of Conditional Early Settlement Amount (paragraph 8 b. v. of the present Technical Annex) on a semi-annual date where:

- the Applicable Condition on the semi-annual date: the European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) ($\text{Applicable Value (1)} \geq \text{Applicable Value (2)}$)
 - Applicable Value (1): “Performance”
 - Applicable Value (2): X
 - if the Applicable Condition is met, the settlement amount is equal to the Nominal Value multiplied by $(100\% + \text{Fixed Rate} \times \text{number of 6 month periods elapsed})$
 - Fixed Rate: as specified in the Final Terms
 - if the Condition is not met, there will be no Early Settlement.

Definition of Conditional Final Settlement Amount (paragraph 8 a. v. of the present Technical Annex) where:

- Applicable Condition on the Final Determination Date
- European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) ($\text{Applicable Value (1)} \geq \text{Applicable Value (2)}$)
 - Applicable Value (1): “Performance”
 - Applicable Value (2): X
- if the Applicable Condition on the Final Determination Date is met, the settlement amount is equal to the Nominal Value multiplied by $(100\% + \text{Fixed Rate} \times \text{number of 6 month periods elapsed since the Issue Date})$
 - o Fixed Rate: defined in the Final Terms
- if the Applicable Condition on the Final Determination Date is not met, the settlement amount is equal to the Nominal Value x the “Performance” Applicable Value.

Example 3: Autocall Coupon with Memory Effect on Worst of Share Basket (*Yield Crescendo Tempo*)

Definition of the “Performance” Applicable Value (paragraph 4 a. ii. of the present Technical Annex) of a Component of the Basket of Shares on a given date:

- “Performance”: the closing value of the Component on the relevant Observation Date or Determination Date, divided by the closing value of the Component on the Initial Observation Date or Initial Determination Date.

Definition of the “Worst of Basket Value” Applicable Value (paragraph 4 c. xii. of the present Technical Annex) on a given date

- “Worst of Basket Value”: the lowest of the Performances of the Components of the Basket on the relevant Observation Date or Determination Date.

Definition of Tempo Coupon (paragraph 6 a. iv. of the present Technical Annex) where:

- the Applicable Condition on a semi-annual Observation Date or Determination Date: European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) $\text{Applicable Value (1)} \geq \text{Applicable Value (2)}$
 - o Applicable Value (1): Worst of Basket Value
 - o Applicable Value (2): TBD
- the coupon amount, if the Applicable Condition is met, is equal to the Nominal Value multiplied by $(100\% + \text{Fixed Rate})$ multiplied by the number of 6 month periods elapsed, less the sum of the coupons previously paid;
 - o Fixed Rate: as specified in the Final Terms
- the coupon amount if the Applicable Condition is not met will be equal to zero.

Definition of Conditional Early Settlement Fixed Amount (paragraph 8 b. v. of the present Technical Annex) on a semi-annual date where:

- the Applicable Condition on a semi-annual date: European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) $\text{Applicable Value (1)} \geq \text{Applicable Value (2)}$
- Applicable Value (1): Worst of Basket
- Applicable Value (2) : TBD the settlement amount if the Applicable Condition is met will be equal to 100%
- the settlement amount if the Applicable Condition is not met will be equal to X%.

Definition of Final Settlement Conditional Amount (paragraph 8 a. v. of the present Technical Annex) where:

- the Applicable Condition on the Final Observation Date or Final Determination Date: European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) $\text{Applicable Value (1)} \geq \text{Applicable Value (2)}$
- Applicable Value (1): Worst Of Value
- Applicable Value (2): TBD
- if the Applicable Condition on the Final Determination Date is met: the settlement amount will be equal to $\text{Nominal Value} \times 100\%$
- the settlement formula if the Applicable Condition on the Final Determination Date is not met, the settlement amount will be equal to $\text{Nominal Value} \times \text{Applicable Value on the Final Observation Date or Final Determination Date}$

2. **DEFINITIONS**

a. **Applicable Values**

The Applicable Values will be specified in the Final Terms.

b. **Observation Dates of the Applicable Values**

- i. **Initial Observation Date** means, the date(s) as specified in the Final Terms on which the level or price of an Underlying is observed and fixed by the Calculation Agent or, if this/these date(s) is/are not an Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- ii. **Final Observation Date** means, the date(s) as specified in the Final Terms on which the level or price of an Underlying is observed and fixed by the Calculation Agent or, if this/these date(s) is/are not an Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- iii. **Observation Dates** means, the date(s) as specified in the Final Terms on which the level or price of an Underlying is observed and fixed by the Calculation Agent or, if this/these date(s) is/are not an Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- iv. **Observation Time** means the time as specified in the Final Terms at the relevant Observation Date.
- v. **Observation Period** means a period between two Observation Dates or between two Observation Times, as specified in the Final Terms

c. **Applicable Value Determination Dates**

- i. **Initial Determination Date** means, the date(s) as specified in the Final Terms or, if this/these date(s) is/are not on Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- ii. **Final Determination Dates** means, the date(s) as specified in the Final Terms or, if this/these date(s) is/are not on Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- iii. **Early Determination Date** means, the date(s) as specified in the Final Terms or, if this/these date(s) is/are not on Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- iv. **Determination Dates** means, the date(s) as specified in the Final Terms or, if this/these date(s) is/are not on Exchange Business Day, the following Exchange Business Day, subject to the consequences of a Market Disruption Event defined as the case may be in Conditions 5.7 to 5.14.
- v. **Determination Time** means the time as specified in the Final Terms at the relevant Determination Date.
- vi. **Determination Period** means a period between two Determination Dates or between two Determination Times, as specified in the Final Terms

d. **Dates relating to Coupons**

- i. **Interest Period Commencement Date** means the Issue Date or any other date specified in the applicable Final Terms.
- ii. **Interest Period End Date** means the date as specified in the Final Terms or if this date is not on an Exchange Business Day, the following Exchange Business Day, subject to the applicable Business Day Convention.
- iii. **Interest Payment Date** means the date(s) specified in the Final Terms, subject to the applicable Business Day Convention.

e. Parameters for Calculation of determined variables

- i. **Barrier** means a European Barrier, an American Barrier, an Intraday Barrier, a Bermudan Barrier, a Ratchet Barrier, an Ejector Barrier, a Ladder Barrier or a Lock-Up Barrier.
- ii. **European Barrier means**, for an Observation Date or Determination Date, the fixed level (expressed as a value or percentage) as specified in the applicable Final Terms.
- iii. **American Barrier means**, for one or more Observation Dates or Determination Dates, the fixed level (expressed as a value or percentage) as specified in the applicable Final Terms.
- iv. **Intraday Barrier means**, for an Observation Period, the fixed level (expressed as a value or percentage) as specified in the applicable Final Terms.
- v. **Bermudan Barrier means**, for one or more Observation Dates or Determination Dates, the fixed level (expressed as a value or percentage) as specified in the applicable Final Terms.
- vi. **Ratchet Barrier means** a level expressed as a percentage or value and specified in the Final Terms.
- vii. **Ejector Barrier means** a level expressed as a percentage or value and specified in the Final Terms.
- viii. **Ladder Barrier means** a level expressed as a percentage or value and specified in the Final Terms.
- ix. **Lock-Up Barrier means** a level expressed as a percentage or value and specified in the Final Terms.
- x. **Basis** means a fixed number of days as specified in the applicable Final Terms.
- xi. **Spread** means a level expressed as a percentage and as specified in the Final Terms.
- xii. **Max Exposure** means a level expressed as a percentage and specified in the Final Terms.
- xiii. **Min Exposure** means a level expressed as a percentage and specified in the Final Terms.
- xiv. **Annual Costs** means the amount of the annual costs relative to an Underlying expressed as a percentage and as specified in the Final Terms.
- xv. **Market(s) Indicator(s)** means a factor or market indicator as specified in the Final Terms.
- xvi. **Indexation** means a level expressed as a percentage and specified in the Final Terms.
- xvii. **Indexation Booster** means a level expressed as a percentage and specified in the Final Terms.
- xviii. **Calculation Day** means any Business Day or any calendar day as specified in the Final Terms.
- xix. **Leverage** means a leverage factor expressed as a percentage as specified in the Final Terms.
- xx. N^{Lock} means the fixed number of performances as specified in the Final Terms.
- xxi. N^{Select} means the fixed number of selected performances as specified in the Final Terms.
- xxii. N^{Best} means the fixed number of the best selected performances as specified in the Final Terms.
- xxiii. N^{Worst} means the fixed number of the worst selected performances as specified in the Final Terms.
- xxiv. N^{Joker} means the lowest fixed number among the performances as specified in the Final Terms.
- xxv. N^{Ejector} means the fixed number of performances that may be removed in calculating the Ejector Basket as specified in the Final Terms.
- xxvi. $N^{\text{OctopusOutgoing}}$ means the fixed number of performances which will not be used in calculating the value of the Octopus Basket as specified in the Final Terms.
- xxvii. $N^{\text{Octopus Remaining}}$ means the fixed number of performances which will be used in calculating the value of the Octopus Basket as specified in the Final Terms.
- xxviii. $N^{\text{Volatility}}$ means the number of values used in determining the Historic Volatility as specified in the Final Terms.
- xxix. N^{Variance} means the number of values used in determining the Variance as specified in the Final Terms.
- xxx. N^{Beta} means the number of values used in determining the Historic Volatility as specified in the Final Terms.
- xxxi. $N^{\text{Crystallisation}}$ means the fixed number of crystallised performances as specified in the Final Terms as specified in the Final Terms.

- xxxii. **N^{Booster}** means the fixed number of boosted performances as specified in the Final Terms as specified in the Final Terms.
- xxxiii. **Booster Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xxxiv. **Indexation Level** means a level expressed as a percentage or as an amount and as specified in the Final Terms.
- xxxv. **Lock-Up Level** means the fixed level expressed as a percentage or as an amount as specified in the Final Terms.
- xxxvi. **Ratchet Level** means the fixed level expressed as a percentage or as an amount as specified in the Final Terms.
- xxxvii. **Ladder Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xxxviii. **Semi-Annual Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xxxix. **Monthly Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xl. **Annual Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xli. **Quarterly Level** means a level expressed as a percentage or as an amount as specified in the Final Terms.
- xl. **Vol Target Level** means the fixed level expressed as a percentage or as an amount as specified in the applicable Final Terms.
- xl. **Vol Tum Level** means the fixed level expressed as a percentage or as an amount as specified in the applicable Final Terms.
- xl. **Number of Bonds** means the quantity of bonds as specified in the applicable Final Terms.
- xl. **Napoleon Level** means the fixed level (expressed as a value or percentage) as specified in the applicable Final Terms.
- xl. **Cap** means a cap level as specified in the applicable Final Terms.
- xl. **Floor** means a floor level as specified in the applicable Final Terms.
- xl. **Conversion Premium** means a conversion premium expressed as a percentage and as specified in the applicable Final Terms.
- xl. **Weighting** means a level expressed as a percentage and specified in the applicable Final Terms.
- l. **Rainbow Weightings** means a serie of levels (expressed as a percentage) as specified in the Final Terms.
- li. **Quantity of Backed Bonds** means the quantity of backed bonds as specified in the Final Terms.
- lii. **Adjustment Ratio** means for a relevant Share the conversion ratio as specified in the Final Terms.
- lii. **Conversion Ratio** means the ratio as specified in the Final Terms.
- liv. **Trampoline Overweighting** means a level expressed as a percentage and specified in the Final Terms.
- lv. **Trampoline Underweighting** means a level (expressed as a percentage) as specified in the Final Terms.
- lvi. **Fixed Rate** means the fixed interest rate as specified in the Final Terms.
- lvii. **Capitalisation Rate** means the capitalisation rate as specified in the Final Terms.
- lviii. **Foreign Exchange Rate** means the spot exchange rate as specified in the Final Terms.
- lix. **Actualisation Rate** means an actualisation rate as specified in the Final Terms.

- lx. **Dividend Tax Rate** means the tax rate applicable to a Dividend specified in the applicable Final Terms.

3. **OBSERVED APPLICABLE VALUES**

a. **General Definitions for Observed Applicable Values**

- i. **Gross Share Dividend** means the dividend per share as declared by the Company of the Share in question, and paid by the Company to its shareholders before deduction or withholding at source of taxes and duties by or on behalf of any authority with jurisdiction with the power to impose tax on this dividend, any imputation or other credits, settlements or deductions granted by any authority having the power to impose tax in respect of this dividend or this tax, and all taxes, credits, settlements or profits taxed, withheld, assessed or levied in this way.
- ii. **Net Share Dividend** means the total amount of net dividends per share (i.e. the amount of gross dividends in cash reduced by any withholding or deduction at source, by or on behalf of any competent authority with the power to impose tax on this dividend, any imputation or other credits, settlements or deductions granted by any authority having the power to impose tax in respect of this dividend or this tax, and all taxes, credits, settlements or profits taxed, withheld, assessed or levied in this way) that would receive Exane Derivatives on the relevant ex-dividend date.
- iii. **Cumulated Gross Share Dividend** means the sum of the Gross Share Dividend on an Observation Period as specified in the Final Terms
- iv. **Cumulated Net Share Dividend** means the sum of the Net Share Dividend on an Observation Period as specified in the Final Terms
- v. **Expected Dividend** means for a relevant Share the amount of dividend which may be expected to be received by Exane Derivatives according to the dividend policy of the Company at the Trade Date and as specified in the Final Terms.
- vi. **Market(s) Indicator(s)** mean(s) any factor or economic markets indicator or belonging to the "swap" family from which the settlement formulae (at maturity or early) and/or interest payments may be calculated, as specified in the Final Terms.
- vii. **Observed Price of the Market Indicator** means, in respect of any Observation Date or Determination Date, the price or value of any Market Indicator, as specified in the Final Terms and as observed by the Calculation Agent, at the relevant Observation Time on a Bloomberg page or any page of any other successor specified as such in the Final Terms.
- viii. **Foreign Exchange Rate** means the spot foreign exchange rate for a currency pair "X/Y", "X/Y" being specified in the applicable Final Terms (expressed as the amount of Y per X 1.00) as determined by the Calculation Agent on an Observation Date or Determination Date, as the case may be, and as specified in the applicable Final Terms by using the X/Y spot foreign exchange rates (or the Y/X spot foreign exchange rates as the case may be) displayed on a "Reuters page" or a "Bloomberg page", and on a "Time" as specified in the Final Terms; this spot foreign exchange rate may be equal to a fixed amount specified in the applicable Final Terms. If on the Observation Date or Determination Date (which is specified in the applicable Final Terms), the spot foreign exchange rate is not available, the spot foreign exchange rate shall be the published spot foreign exchange rate on the first succeeding Business Day unless should there be no such available rate during the "n" Business Days ("n" being specified in the applicable Final Terms) following the Determination Date or the Observation Date as specified in the Final Terms. In this case, the Calculation Agent will determine in good faith an estimate of the spot foreign exchange rate to be supplied on this nth Business Days.
- ix. **Forward Exchange Rate** in general means the forward foreign exchange rate for a maturity for a currency pair "X/Y", "X/Y" and forward maturity being specified in the applicable Final Terms (expressed as the amount of Y per X 1.00) as determined by the Calculation Agent on an Observation Date or Determination Date, as the case may be, and as specified in the applicable Final Terms by using the X/Y forward foreign exchange rates for the maturity (or the Y/X forward foreign exchange rates for the maturity as the case may be) displayed on a "Reuters page" or a "Bloomberg page", and on a "Time" as specified in the Final Terms; this forward foreign exchange rate may be equal to a fixed amount specified in the applicable Final Terms. If on the Observation Date or Determination Date (which is specified in the applicable Final Terms), the forward foreign exchange rate is not available, the forward foreign exchange rate shall be the published forward foreign exchange rate on the first succeeding Business Day unless should there be no such available rate

during the “n” Business Days (“n” being specified in the applicable Final Terms) following the Determination Date or the Observation Date as specified in the Final Terms. In this case, the Calculation Agent will determine in good faith an estimate of the spot foreign exchange rate to be supplied on this nth Business Days.

b. Definitions of Observed Values for an Underlying which is a Debt Instrument

i. Final Redemption Price of a Debt Instrument

Means the final redemption price as a percentage of a Debt Instrument on the Maturity Date of the Debt Instrument, as stipulated by the Company issuing the Debt Instrument.

ii. Final Redemption Amount of a Debt Instrument

Means the final redemption amount of a Debt Instrument on the Maturity Date of the Debt Instrument, as stipulated by the Company issuing the Debt Instrument.

iii. Early Redemption Price of a Debt Instrument following a recall by the Company issuing the Debt Instrument

Means the redemption price of a Debt Instrument as a percentage following a recall by the Company issuing the Debt Instrument, as stipulated by the Company issuing the Debt Instrument.

iv. Early Redemption Amount of a Debt Instrument following redemption by the Company issuing the Debt Instrument

Means the redemption price of a Debt Instrument following redemption by its issuer, as stipulated by the Company issuing the Debt Instrument.

v. Sale Price of the shares derived from the conversion of a Convertible Bond

Means the sale price for the shares obtained on conversion of the Convertible Bond in accordance with the terms specified in its issue prospectus on the Conversion Date and sold the day after the date of their receipt by Exane Derivatives at their closing price.

vi. Sale Price of the shares derived from the conversion of a Contingent Capital Bond

Means the sale price for the shares obtained on conversion of the Contingent Capital Bond in accordance with the terms specified in its issue prospectus on the Conversion Date and sold the day after the date of their receipt by Exane Derivatives at their closing price.

vii. Total Final Redemption Amount Received of a Debt Instrument

Means the principal and the coupon (if any) of a Debt Instrument, actually received by Exane Derivatives with respect to the Debt Instrument Maturity Date (net of any cost and tax) in its capacity as holder of the Bond.

viii. Principal Final Redemption Amount Received of a Debt Instrument

Means the principal subtracting the coupon (if any) of a Debt Instrument, actually received by Exane Derivatives with respect to the Debt Instrument Maturity Date (net of any cost and tax) in its capacity as holder of the Bond.

4. DETERMINED APPLICABLE VALUES

a. General Definitions for Determined Applicable Values

i. Converted Value

Means the product of the Applicable Value multiplied by the Foreign Exchange Rate specified in the applicable Final Terms:

Converted Value = Applicable Value x Foreign Exchange Rate

ii. Performance

Means the performance of the Applicable Value, expressed as a percentage and calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and as specified in the applicable Final Terms:

$$Performance(t', t) = \frac{Applicable Value (t)}{Applicable Value (t')}$$

iii. Excess Return Performance

Means the excess return performance of a Performance with respect to a risk free performance and calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and as specified in the applicable Final Terms:

Excess Return Performance (t', t) = 1 + Performance (t', t) - RiskFreePerformance (t', t)

Where

RiskFreePerformance(t', t) means a risk free performance calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and as specified in the applicable Final Terms and is an Applicable Value as specified in the Final Terms

iv. Spread Performance

Means the spread between the Performance of the Applicable Value 1 and Applicable Value 2 and calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and as specified in the applicable Final Terms:

Spread Performance (t', t) = 1 + Performance(1) (t', t) – Performance (2) (t', t)

v. Return

Means the return on the relevant Applicable Value, expressed as a percentage and calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and, as specified in the applicable Final Terms, corresponding to the difference between the Performance and the figure 1:

$$Return(t', t) = \frac{Applicable Value (t)}{Applicable Value (t')} - 1$$

vi. Annualised return

Means the annualised return on the relevant Applicable Value, expressed as a percentage and calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and, as specified in the applicable Final Terms:

$$Return(t', t) = \left(\frac{Applicable Value (t)}{Applicable Value (t')} \right)^{\frac{B}{\Delta(t', t)}} - 1$$

Where:

$\Delta(t', t)$ means the number of Calculation Days between the Observation Date t' (exclusive) and the Observation Date t (inclusive) or between the Determination Date t' (exclusive) and the Determination Date t (inclusive).

B means the Basis as defined in the applicable Final Terms.

vii. Linear Annualised Return

Means the linear annualised return on the relevant Applicable Value, calculated between two Observation Dates ($t' \leq t$) or two Determination Dates ($t' \leq t$), as the case may be and, as specified in the applicable Final Terms:

$$Linear Annualised Return(t', t) = \frac{Return}{\left(\frac{\Delta(t', t)}{B} \right)}$$

where:

$\Delta(t',t)$ means the number of Calculation Days between the Observation Date t' (exclusive) and the Observation Date t (inclusive) or between the Determination Date t' (exclusive) and the Determination Date t (inclusive).

“B” means the Basis as defined in the applicable Final Terms.

viii. Equi-Weighted Average

Means the Equi-Weighted Average of N Applicable Values, as specified in the applicable Final Terms:

$$\text{Equi-weighted Average} = \frac{1}{N} \sum_{i=1}^N \text{Applicable Value}_i$$

ix. Weighted Average

Means the weighted average of N Applicable Values with Weightings “ w_i ” as specified in the applicable Final Terms:

$$\text{Weighted Average} = \sum_{i=1}^N w_i \times \text{Applicable Value}_i$$

x. Time Maximum

Means the maximum level reached by the Applicable Value on the Observation Dates or Determination Dates defined in the applicable Final Terms:

$$\text{TimeMaximum} = \text{Max}_{m=1 \text{ to } M}(\text{ApplicableValue}_m)$$

Where:

“M” is the number of Observation Dates or Determination Dates

“Applicable Value_m” is the level of the Applicable Value on an Observation Date_m or Determination Date_m

xi. Time Minimum

Means the minimum level reached by the Applicable Value on the Observation Dates or Determination Dates defined in the applicable Final Terms:

$$\text{TimeMinimum} = \text{Min}_{m=1 \text{ to } M}(\text{ApplicableValue}_m)$$

Where:

“M” is the number of Observation Dates or Determination Dates

“Applicable Value_m” is the level of the Applicable Value on an Observation Date_m or Determination Date_m

xii. Ratcheted Value

Means the highest value between the Applicable Value and the Ratchet Level if the Applicable Value has reached the Ratchet Barrier on at least one of the Observation Dates or Determination Dates. Otherwise, Ratcheted Value will be equal to the Applicable Value:

(a) If **Time Maximum** > or $\geq$ **Ratchet Barrier**:

$$\text{Ratcheted Value} = \text{Max}(\text{Ratchet Level}, \text{Applicable Value})$$

(b) Otherwise

$$\text{Ratcheted Value} = \text{Applicable Value}$$

Where:

Time Maximum is the Time Maximum of the Applicable Value.

Ratchet Barrier, Ratchet Level and the Observation Dates or Determination Dates are specified in the applicable Final Terms.

xiii. Lock-Up Value

Means the Lock-Up Level if the Applicable Value has reached the Lock-Up Barrier on at least one of the Observation Dates or Determination Dates. Otherwise, Lock-Up Value means the Applicable Value.

(a) If **Time Maximum** $>$ or $\geq$ **Lock-Up Barrier**:

Lock-Up Value = Lock-Up Level

(b) Otherwise

Lock-Up Value = Applicable Value

Where:

“**Time Maximum**” is the Time Maximum of the Applicable Value.

Lock-Up Barrier, Lock-Up Level and the Observation Dates or Determination Dates are specified in the applicable Final Terms.

xiv. Ladder Value

Means the greater of the Applicable Value and the highest of the Ladder Levels reached by the Applicable Value:

- If the Applicable Value has never reached the Ladder Barrier(1) on any of the Observation Dates or Determination Dates,

Ladder Value = Applicable Value,

- If the Applicable Value has reached the Ladder Barrier(1) but has never reached the Ladder Barrier(2) on any of the Observation Dates or Determination Dates,

Ladder Value = Max(Applicable Value, Ladder Level(1)),

- If the Applicable Value has reached the Ladder Barrier(2) but has never reached the Ladder Barrier(3) on any of the Observation Dates or Determination Dates,

Ladder Value = Max(Applicable Value, Ladder Level(2)),

- If the Applicable Value has reached the Ladder Barrier(n) but has never reached the Ladder Barrier(n+1) on any of the Observation Dates or Determination Dates,

Ladder Value = Max(Applicable Value, Ladder Level(n)),

And so on

The Ladder Barriers(n) and Ladder Levels(n) are specified in the applicable Final Terms.

xv. Capped Value

Means the lesser of the Applicable Value and the Cap defined in the applicable Final Terms.

Capped Value = Min(Applicable Value, Cap)

xvi. Floored Value

Means the greater of the Applicable Value and the Floor defined in the applicable Final Terms.

Floored Value = Max(Applicable Value, Floor)

xvii. Capped/Floored Value

Means the Floored Value applied to the Capped Value, where Cap and Floor are defined in the applicable Final Terms:

Capped/Floored Value = Max(Min(Applicable Value, Cap), Floor)

xviii. Semestrio Return

Means the sum of the Returns determined between the semi-annual Observation Dates or Determination Dates and in which the N best Returns are replaced by the Semi-Annual Level in calculating the sum:

$$\text{SemestrioReturn} = N \times \text{Semi} - \text{AnnualLevel} + \sum_{i=1}^{i=P-N} \text{Return}_{R(i)}$$

Where:

“N”, the “**Observation Dates or Determination Dates**” and the “**Semi-Annual Level**” are specified in the applicable Final Terms

“P” is the total number of Returns calculated between two consecutive semi-annual Observation Dates or Determination Dates

“**Return_{R(i)}**” means the i^{th} lowest of the P Returns calculated between two consecutive semi-annual Observation Dates or Determination Dates

xix. Annualo Return

Means the sum of the Returns determined between the annual Observation Dates or Determination Dates and in which the N best Returns are replaced by Annual Level in calculating the sum:

$$\text{AnnualoReturn} = N \times \text{AnnualLevel} + \sum_{i=1}^{i=P-N} \text{Return}_{R(i)}$$

Where:

“N”, the “**Observation Dates or Determination Dates**” and the “**Annual Level**” are specified in the applicable Final Terms

“P” is the total number of Returns calculated between two consecutive annual Observation Dates or Determination Dates

“**Return_{R(i)}**” means the i^{th} lowest of the P Returns calculated between two consecutive annual Observation Dates or Determination Dates

xx. Mensuello Return

Means the sum of the Returns determined between the monthly Observation Dates or Determination Dates and in which the N best Returns are replaced by Monthly Level in calculating the sum:

$$\text{MensuelloReturn} = N \times \text{MonthlyLevel} + \sum_{i=1}^{i=P-N} \text{Return}_{R(i)}$$

Where:

“N”, the “**Observation Dates or Determination Dates**” and the “**Monthly Level**” are specified in the applicable Final Terms

“P” is the total number of Returns calculated between two consecutive monthly Observation Dates or Determination Dates

“**Return_{R(i)}**” means the i^{th} lowest of the P Returns calculated between two consecutive monthly Observation Dates or Determination Dates

xxi. Trimestrio Return

Means the sum of the Returns determined between the quarterly Observation Dates or Determination Dates and in which the N best Returns are replaced by Quarterly Level in the calculation:

$$\text{QuarterlyReturn} = N \times \text{QuarterlyLevel} + \sum_{i=1}^{i=P-N} \text{Return}_{R(i)}$$

Where:

“N”, the “**Observation Dates or Determination Dates**” and the “**Quarterly Level**” are specified in the applicable Final Terms

“P” is the total number of Returns calculated between two consecutive quarterly Observation Dates or Determination Dates

“**Return_{R(i)}**” means the i^{th} lowest of the P Returns calculated between two consecutive quarterly Observation Dates or Determination Dates

xxii. Bengal Return

Means the sum of the Capped/Floored Values of the Returns determined between the Determination Dates

$$\text{BengalReturn} = \sum_{i=1}^{i=P} \text{Min}(\text{Max}(\text{Return}_{R(i)}, \text{Floor}), \text{Cap})$$

Where:

The “**Floors**”, “**Caps**” and “**Observation Dates or Determination Dates**” are specified in the applicable Final Terms

“P” is the total number of Returns calculated between two consecutive Observation Dates or Determination Dates

“**Return_{R(i)}**” means the i^{th} Return calculated between two consecutive Observation Dates or Determination Dates

“**Min**” and “**Max**” will be specified in the applicable Final Terms.

xxiii. Napoleon Return

Means the sum of the Napoleon Level and the lowest of the Returns calculated between two consecutive Observation Dates or Determination Dates:

$$\text{NapoleonReturn} = \text{NapoleonLevel} + \text{Min}_{i=1 \text{ to } P} \text{Return}_{R(i)}$$

Where:

The “**Napoleon Level**” and the “**Observation Dates or Determination Dates**” are specified in the applicable Final Terms.

xxiv. Adjustment Ratio

Means for a relevant Share the adjustment ratio resulting from a payment of dividend:

$$\text{AdjustmentRatio} = \frac{P + D}{P}$$

Where:

P refers to the closing price of the Share on the Exchange on the last Exchange Business Day immediately preceding the date on which the dividend is detached

D is the Dividend of a Share, be it the Net Share Dividend, Gross Share Dividend or Expected Dividend, as specified in the applicable Final Terms.

xxv. Linear Excess Adjustment Rate

Means for a relevant Share the adjustment ratio resulting from the excess payment of dividend above a threshold

$$\text{LinearExcessAdjustmentRatio} = \frac{P + D - De}{P}$$

Where:

P refers to the closing price of the Share on the Exchange on the last Exchange Business Day immediately preceding the date on which the dividend is detached

D is the Dividend of a Share, be it the Net Share Dividend, Gross Share Dividend or Expected Dividend, as specified in the applicable Final Terms.

De is an amount as specified in the applicable Final Terms

xxvi. Multiplicative Excess Adjustment Rate

Means for a relevant Share the adjustment ratio resulting from the excess payment of dividend above a threshold

$$\text{MultiplicativeExcessAdjustmentRatio} = \frac{P - De}{P - \alpha \times D}$$

Where:

P refers to the closing price of the Share on the Exchange on the last Exchange Business Day immediately preceding the date on which the dividend is detached

D is the Dividend of a Share, be it the Net Share Dividend, Gross Share Dividend or Expected Dividend, as specified in the applicable Final Terms.

De is an amount as specified in the applicable Final Terms

α is a percentage as specified in the applicable Final Terms

b. Definitions for an Underlying which is a Debt Instrument

i. **Redemption Date of the Convertible Bond** means the first of the following dates to occur:

- a. the maturity date of the Convertible Bond as defined in the Final Terms;
- b. the day, if it applicable, during which Exane Derivatives as holder of the Convertible Bond should receive the Settlement Amount of the Convertible Bond after exercise by the Company issuing the Convertible Bond of its option to redeem the Convertible Bond in compliance with the prospectus of the Convertible Bond;
- c. the put exercise date of the Convertible Bond (the “Put Exercise Date”), if applicable, as defined in the Final Terms.

ii. **Reference Date of the Convertible Bond** means the first of the following dates to occur:

- (i) The Redemption Date of the Convertible Bond;
- (ii) The Date of Activation of the Final Conversion Condition of the Convertible Bond;
- (iii) The Date of Activation of the Optimal Conversion Condition of the Convertible Bond;
- (iv) The Date of Activation of the pre-put Conversion Condition of the Convertible Bond, if applicable;

- (v) The Date of Activation of the pre-call Conversion Condition of the Convertible Bond, if applicable.

For points (ii), (iii), (iv) and (v) each of the specified date shall mean a Date of Activation of the Conversion Condition.

- “Date of Activation of the Final Conversion Condition of the Convertible Bond” means the Nth Business Day preceding the end date of the period for conversion of the Convertible Bond, as defined in the prospectus of the Convertible Bond, if the “Conversion Price of the Convertible Bond” is greater than Redemption Price of the Convertible Bond as defined in the Final Terms.
- “Date of Activation of the pre-put Conversion Condition of the Convertible Bond” means the Nth Business Day preceding the Put Exercise Date of the Convertible Bond, as defined in the prospectus of the Convertible Bond, if the “Conversion Price of the Convertible Bond” is greater than the Redemption Price of the Convertible Bond in the event of Exercise of the Put, as defined in the Final Terms.
- “Date of Activation of the pre-call Conversion Condition of the Convertible Bond” means the Nth Business Day preceding the Call Exercise Date by the issuer of the Convertible Bond, as defined in the prospectus of the Convertible Bond, if the “Conversion Price of the Convertible Bond” is greater than the Redemption Price of the Convertible Bond in the event of Exercise of the Call, as defined in the Final Terms.
- “Date of Activation of the Optimal Conversion Condition of the Convertible Bond” means the first date for which the “Conversion Price of the Convertible Bond” is greater than 250% of the par value of the Convertible Bond.
- “Conversion Price of the Convertible Bond” is equal to the product of the closing price of the underlying share of the Convertible Bond multiplied by the conversion ratio of the Convertible Bond, as defined in the prospectus of the Convertible Bond.
- “N” means the number of Business Days before the end of the period of conversion or exercise of the put to convert the Convertible Bond and as defined in the applicable Final Terms.

iii. **Reference Date of the Perpetual Bond** means the first of the following dates to occur:

- a. the Maturity Date of the Perpetual Bond as defined in the Final Terms if applicable;
- b. the day, if applicable, during which Exane Derivatives as holder of the Perpetual Bond should receive the Settlement Amount of the Perpetual Bond after exercise by the Company issuing the Perpetual Bond of its option to redeem the Perpetual Bond in compliance with the prospectus of the Perpetual Bond;
- c. the Put Exercise Date of the Perpetual Bond, if it exists, as defined in the Final Terms.

iv. **Reference Date of the Bond** means the first of the following dates to occur:

- a. the Maturity date of the Bond as defined in the Final Terms if applicable;
- b. the day, if applicable, during which Exane Derivatives as holder of the Bond should receive the Settlement Amount of the Bond after exercise by the Company issuing the Bond of its option to redeem the Bond in compliance with the prospectus of the Bond;
- c. the Put Exercise Date of the Bond, if it exists, as defined in the Final Terms.

v. **Reference Date of the Contingent Bond** means the first of the following dates to occur:

- a. the Maturity date of the Contingent Bond as defined in the Final Terms if applicable;
- b. the day, if applicable, during which Exane Derivatives as holder of the Contingent Bond should receive the Settlement Amount of the Contingent Bond after exercise by the Company issuing

the Contingent Bond of its option to redeem the Contingent Bond in compliance with the prospectus of the Contingent Bond;

- c. the day, if applicable, during which the Contingent Bond has been converted into shares in accordance with the prospectus of the Contingent Bond
- d. the Put Exercise Date of the Contingent Bond, if it exists, as defined in the Final Terms.

vi. Debt Instrument Market Bid Price

The Debt Instrument Market Bid Price on the date “t” corresponds to the *net dirty bid* price of the Debt Instrument (i.e. the resale price including the coupons accrued but net of all costs, taxes or fees) for the appropriate hedging size, as determined by the Calculation Agent on the date t as follows (prior to the inclusion of the accrued coupon) :

- (i) the official value of the *clean bid* price (i.e. the resale price excluding accrued coupons) of the Debt Instrument published on the Exchange of the Debt Instrument at approximately 16:00 CET if the Debt Instrument is listed and if the official price is available and adequately reflects market conditions; otherwise
- (ii) the arithmetic average of the four (4) *clean bid* prices obtained from the 6 (six) most recent *clean bid* prices for the Debt Instrument (and for a “*bid*” size greater than zero) published on the Bloomberg “ALLQ” page for the Debt Instrument at approximately 16:00 CET, ignoring the highest price and the lowest price, if the six (6) prices are available and if the arithmetic average of the four (4) prices adequately reflects market conditions; otherwise
- (iii) the arithmetic average of the two (2) *clean bid* prices obtained from the 4 (four) most recent *clean bid* prices for the Debt Instrument (and for a “*bid*” size greater than zero) published on the Bloomberg “ALLQ” page for the Debt Instrument at approximately 16:00 CET, ignoring the highest price and the lowest price, if the four (4) prices are available and if the arithmetic average of the two (2) prices adequately reflects market conditions; otherwise
- (iv) the arithmetic average of the *clean bid* prices provided by at least two (2) market makers selected by the Calculation Agent for the Debt Instrument, or otherwise the *clean bid* price provided by the only leading market participant available; or otherwise
- (v) the price determined by the Calculation Agent at its sole discretion but in the interest of the holder and in a commercially reasonable manner.

vii. Final Price of the Contingent Bond

Final Price of the Contingent Bond means for the underlying Contingent Bond the following amount:

- (i) If the Contingent Bond is redeemed at the Maturity Date of the Contingent Bond, the Final Price of the Contingent Bond shall be the Final Redemption Amount of the Contingent Bond at its maturity date and as defined in the applicable Final Terms
- (ii) In the event where the Company issuing the Contingent Bond exercises its redemption option in accordance with the prospectus of the Contingent Bond before the Final Determination Date, the Final Price of the Contingent Bond shall equal the Final Redemption Amount of the Contingent Bond (excluding final coupon),
- (iii) In the event where the Contingent Bond has been converted into shares in accordance with the prospectus of the Contingent Bond before the Final Determination Date, the Final Price of the Contingent Bond shall equal the Sale Price of the shares received by a holder of the Contingent Bond.
- (iv) If on the Final Determination Date, the Contingent Bond has not been redeemed at the Maturity Date of the Contingent Bond and the Company issuing the Contingent Bond has not exercised its redemption option in accordance with the prospectus of the Contingent Bond and the Contingent Bond has not been converted into shares, the Final Price of the Contingent Bond shall be the Debt Instrument Market Bid Price on the Final Determination Date,
- (v) In the event where the Redemption Amount of the Contingent Bond or Sale Price for the shares is/are received by Exane Derivatives before the Final Determination Date as defined in the Final Terms, the net amount will be capitalised between the date of receipt of the said amount

by Exane Derivatives and the Final Determination Date at the Capitalisation Rate of the Contingent Bond defined in the Applicable Conditions

viii. Final Price of the Convertible Bond

Final Price of the Convertible Bond means for the underlying convertible bond the following amount:

- (i) If case (i) of the definition of the Reference Date of the Convertible Bond applies, the Final Price of the Convertible Bond shall be the Final Redemption Amount of the Convertible Bond on the Redemption Date of the Bond.
- (ii) If on the Final Determination Date, the Convertible Bond has not been redeemed at the Maturity Date of the Convertible Bond and the Company issuing the Convertible Bond has not exercised its redemption option in accordance with the prospectus of the Convertible Bond, the Final Price of the Convertible Bond shall be the Debt Instrument Market Bid Price on the Final Determination Date.
- (iii) If case (ii), (iii), (iv) or (v) of the definition of the Reference Date of the Convertible Bond applies, the Final Price of the Convertible Bond shall be the Sale Price of the shares received on conversion of the convertible bond by a holder of the convertible bond having exercised its right of conversion on the relevant Date of Activation of the Conversion Condition.
- (iv) In the event where the Redemption Amount of the Convertible Bond or Sale Price for the shares is/are received by Exane Derivatives before the Final Determination Date as defined in the Final Terms, the net amount will be capitalized between the date of receipt of the said amount by Exane Derivatives and the Final Determination Date at the Capitalisation Rate of the Bond defined in the Applicable Conditions.

ix. Final Price of the Perpetual Bond

In the event where the Company issuing the Perpetual Bond exercises its redemption option in accordance with the prospectus of the Perpetual Bond before the Final Determination Date, the Final Price of the Perpetual Bond shall equal the redemption amount of the Perpetual Bond (excluding final coupon). This net amount will be capitalized at the Capitalisation Rate of the Perpetual Bond between the date of receipt of the said amount by Exane Derivatives and the Final Determination Date.

Otherwise, the Final Price of the Perpetual Bond shall be equal to the Market Bid Price of the Debt Instrument on the Final Determination Date.

x. Final Price of the Bond

The Final Price of the Bond corresponds to the Redemption Amount of the Bond (excluding final coupon). This net amount will be capitalized at the Capitalisation Rate of the Bond between the date of receipt of the said amount by Exane Derivatives and the Final Determination Date.

xi. Gross Bond Coupon

The Gross Bond Coupon is the coupon as described in the prospectus of the Bond.

xii. Sum of the Gross Bond Coupons

The Sum of the Bond coupons over the period means the sum of the Gross Bond Coupons between the Period Commencement Date (inclusive) and the Period End Date (exclusive), as defined in the applicable Final Terms.

xiii. Bond Coupon

The Bond Coupon means the amount of the net coupon received by Exane Derivatives in its capacity as holder of the Bond.

xiv. Sum of the Bond Coupons

The Sum of the Bond coupons over the period means the sum of the Bond Coupons received by Exane Derivatives between the Period Commencement Date (inclusive) and the Period End Date (exclusive), as defined in the applicable Final Terms.

xv. Sum of the Capitalised Bond Coupons

The Sum of the Capitalised Bond Coupons means the sum of the Bond Coupons received by Exane Derivatives between the Period Commencement Date (inclusive) and the Period End Date (exclusive), as defined in the applicable Final Terms, and capitalized between their date of receipt by Exane Derivatives and the Period End Date at the Capitalisation Rate as specified in the applicable Final Terms.

c. Determined Applicable Values of Underlying Basket Values or Applicable Values

In this section, “Basket Value” means a set of Observed Values of Underlyings or of Applicable Values determined from Observed Values of Underlyings. More generally, the following definitions relate to the Performances or Returns of the Underlyings.

i. Basket

Means a set of Underlyings or Applicable Values

ii. Equi-Weighted Basket

Means a set of equi-weighted Underlyings

iii. Equi-Weighted Basket Value

Means the Equi-Weighted Average of the components value of the Basket

iv. Weighted Basket

Means a set of Underlyings with Weightings defined in the applicable Final Terms.

v. Weighted Basket Value

Means the Weighted Average of the components of the Basket according to the Weightings defined in the applicable Final Terms.

vi. Rainbow Basket Value

Means the Weighted Average of the components of the Basket in decreasing order of value and according to the Rainbow Weightings defined in the applicable Final Terms.

Thus, the highest weighting will be allocated to the component with the highest value, the second highest weighting to the component with the second highest value, and so on.

vii. Ranked Weighted Basket Value

Means the Weighted Average of the components of the Basket in decreasing order and according to the Weightings defined in the applicable Final Terms.

viii. Select Basket

Means the basket composed of the lowest N^{Select} components of the Basket, with N^{Select} as defined in the applicable Final Terms.

ix. Select Basket Value

Means the Equi-Weighted Average of the components of the Select Basket.

x. Median Basket

Means the basket composed of the components of the Basket obtained by removing the highest N^{Best} components and the lowest N^{Worst} components, with N^{Best} and N^{Worst} as defined in the applicable Final Terms.

xi. Median Basket Value

Means the Equi-Weighted Average of the components of the Median Basket.

xii. Worst Of

Means the component of the Basket with the lowest value.

xiii. Worst Of Value

Means the lowest value of the Basket.

xiv. Best Of

Means the component of the Basket with the highest value of the Basket.

xv. Best Of Value

Means the highest value of the Basket.

xvi. Joker

Means the component of the Basket having the lowest N^{Joker} value of the Basket, with N^{Joker} as defined in the Applicable Final Terms.

If $N^{\text{Joker}}=1$, Joker is the lowest value of the Basket.

If $N^{\text{Joker}}=2$, Joker is the second lowest value of the Basket.

xvii. Joker Value

Means the lowest N^{Joker} value of the Basket.

xviii. Crystallised Basket Value

Means the Value of the Equi-Weighted Basket associated with a gradual Crystallisation Mechanism, enabling the highest Applicable Values to be gradually fixed over time.

The gradual “**Crystallisation Mechanism**” means that:

On each Determination Date, the $N^{\text{Crystallisations}}$ components of the Basket that have not yet been crystallised and that have the highest Applicable Values on the Determination Date are crystallised.

The Applicable Value on a Determination Date for a component of the Basket that has been crystallised corresponds to the Applicable Value of the Component on the Determination Date on which it was crystallised.

The Applicable Value on a Determination Date for a component of the Basket that has not been crystallised corresponds to the Applicable Value of the Component on the Determination Date.

The number $N^{\text{Crystallisations}}$ is defined in the Final Terms.

The Determination Dates are defined in the Final Terms.

xix. Crystallised Basket Value with Floor

Means the Value of the Equi-Weighted Basket with a gradual Floored Crystallisation Mechanism.

The gradual “**Floored Crystallisation Mechanism**” means that:

On each Determination Date, the $N^{\text{Crystallisations}}$ components of the Basket that have not yet been crystallised and that have the highest Applicable Values on the Determination Date are crystallised.

The Applicable Value on a Determination Date for a Component of the Basket that has been crystallised corresponds to the greater of the Applicable Value of the Component on the Crystallisation Date on which it was crystallised and the Floor on the Crystallisation Date.

The Applicable Value on a Determination Date for a Component of the Basket that has not been crystallised corresponds to the Applicable Value of the Component on the Determination Date.

The Determination Dates are defined in the Final Terms.

The number $N^{\text{Crystallisations}}$ is defined in the Final Terms.

The Floors are defined in the Final Terms.

xx. Booster Basket Value

Means the Value of the Weighted Basket of Returns with a Boost Mechanism.

The “**Boost Mechanism**” means:

The highest N^{Booster} Returns of the Basket are replaced with the Boost Level in calculating the Weighted Basket. The other Returns of the Basket are kept at their values.

The N^{Booster} number and the Booster Level are defined in the Final Terms.

xxi. Trampoline Return

Means the Return with a Trampoline Mechanism, i.e. the Return multiplied by a Trampoline Overweighting coefficient if it is positive, and a Trampoline Underweighting coefficient if it is negative.

$\text{Trampoline Return} = \text{Trampoline Overweighting} \times \text{Max}(0; \text{Return}) + \text{Underweighting} \times \text{Min}(0; \text{Return})$.

The Trampoline Overweighting and Trampoline Underweighting coefficients are defined in the Final Terms.

xxii. Trampoline Basket

Means a basket composed of Trampoline Returns.

xxiii. Trampoline Basket Value

Means the Equi-Weighted Average of the components of the Trampoline Basket.

xxiv. Best Timing Basket Value

Means the Equi-Weighted Basket of the Performances calculated between the Best Timing Date and the Final Observation Date or Final Determination Date. The Best Timing Date means the first date on which the Equi-Weighted Basket of the Performances calculated between the Initial Observation Date or Initial Determination Date and the Observation Date or Determination Date reached its lowest level.

The Initial Observation Date or Initial Determination Date, the Final Observation Date or Final Determination Date and the Observation Date or Determination Date are defined in the applicable Final Terms.

xxv. Ejector Basket

Means the Equi-Weighted Basket of the Underlyings of the Basket obtained by removing the first N^{Ejector} Underlyings having reached the Ejector Barrier on any of the Observation Dates or Determination Dates.

N^{Ejector} is defined in the applicable Final Terms.

xxvi. Ejector Basket Value

Means the Equi-Weighted Average of the Performances of the Ejector Basket.

xxvii. Octopus Basket

Means the Equi-Weighted Basket of a number $N^{\text{OctopusRemaining}}$ of Performances of Underlyings obtained by removing on each of the Observation Dates or Determination Dates the Underlyings having the lowest $N^{\text{OctopusOutgoing}}$ Performances, and removing the $(N - N^{\text{OctopusRemaining}})$ Underlyings on the Final Determination Date.

xxviii. Octoplus Basket Value

Means the Equi-Weighted Average of the Performances of the Octoplus Basket.

d. Determined calculation Applicable Values for Applicable Values

i. Linear Financing Amount

Means an amount expressed as a percentage and with a linear progression over time:

$$\text{Linear Financing Amount} = M0 \times (100\% + \text{Rate} \times Dt / \text{Base})$$

Where:

“**M0**” means the initial amount as specified in the applicable Final Terms.

Rate and Base mean the Financing Rate and the Base defined in the Final Terms.

“**Dt**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the Final Observation Date or Final Determination Date, or the number of Calculation Days of the Observation Period or Determination Period, as specified in the applicable Final Terms.

ii. Capitalised Financing Amount

Means an amount expressed as a percentage with capitalisation according to the following formula:

$$\text{Capitalised Financing Amount} = M0 \times (100\% + \text{Rate})^{Dt/\text{Base}}$$

Where:

“**M0**” means the initial amount, as specified in the applicable Final Terms.

Rate and **Base** mean the Financing Rate and the Base defined in the Final Terms.

“**Dt**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the Final Observation Date or Final Determination Date, or the number of Calculation Days of the Observation Period or Determination Period, as specified in the applicable Final Terms.

iii. Composite Financing Amount

Means an amount expressed as a percentage equal to the product of several Linear or Capitalised Financing Amounts.

$$\text{Composite Financing Amount} = M_1 \times \dots \times M_n$$

Where “**M₁, ...M_n**” are the financing amounts as defined in the applicable Final Terms.

iv. Historic Volatility

Means the level of historic volatility of the relevant performance driver calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Historic Volatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N (\ln(\text{PerfDriver}_{t-j}))^2}$$

Where:

“**PerfDriver_{t-j}**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Sum, a Product, a Ratio or Weighted Average of Performances as defined in the Final Terms.

“**N**” means the number $N^{\text{Volatility}}$ of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(For example, B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”

v. Historic Volatility of a Strategy

Means the level of historic volatility of the relevant strategy calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Historic Volatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j}}{\text{Strategy}_{t-j-1}} \right) \right)^2}$$

Where:

“Strategy_{t-j}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Volatility} of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(For example, B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”

vi. Historic Volatility with lag

Means the level of historic volatility of the relevant performance driver calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Historic Volatility with Lag}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\text{PerfDriver}_{t-j-\text{lag}} \right) \right)^2}$$

Where:

“PerfDriver_{t-j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Volatility} of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“lag” means the observation time lag as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”

vii. Historic Volatility with lag of a Strategy

Means the level of historic volatility of the relevant strategy calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Historic Volatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j-\text{lag}}}{\text{Strategy}_{t-j-1-\text{lag}}} \right) \right)^2}$$

Where:

“Strategy_{t-j-lag}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Volatility} of logarithmic returns as specified in the applicable Final Terms.

“N'” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(For example, B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”

viii. Centered Historic Volatility

Means the level of historic volatility of the relevant performance driver calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{CentredHistoricVolatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln(\text{PerfDriver}_{t-j}) - \frac{1}{N} \sum_{j=1}^N \ln(\text{PerfDriver}_{t-j}) \right)^2}$$

Where:

“PerfDriver_{t-j}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Volatility} of logarithmic returns specified in the applicable Final Terms.

“N'” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms (B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

ix. Centered Historic Volatility of a Strategy

Means the level of historic volatility of the relevant strategy calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{CentredHistoricVolatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j}}{\text{Strategy}_{t-j-1}} \right) - \frac{1}{N} \sum_{k=1}^N \ln \left(\frac{\text{Strategy}_{t-k}}{\text{Strategy}_{t-k-1}} \right) \right)^2}$$

Where:

“Strategy_{t-j}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Volatility} of logarithmic returns specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms (B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

x. Centered Historic Volatility with lag

Means the level of historic volatility of the relevant performance driver calculated on the basis of values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centred Historic Volatility with Lag}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln(\text{PerfDriver}_{t-j-\text{lag}}) - \frac{1}{N} \sum_{k=1}^N \ln(\text{PerfDriver}_{t-k-\text{lag}}) \right)^2}$$

Where:

“PerfDriver_{t-j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Volatility} of logarithmic returns specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“lag” means the observation time lag as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms (B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

xi. Centered Historic Volatility with lag of a Strategy

Means the level of historic volatility of the relevant strategy calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centred Historic Volatility}_t = \sqrt{\frac{B}{N'} \times \sum_{j=1}^N \left(\ln\left(\frac{\text{Strategy}_{t-j-\text{lag}}}{\text{Strategy}_{t-j-1-\text{lag}}}\right) - \frac{1}{N} \sum_{k=1}^N \ln\left(\frac{\text{Strategy}_{t-k-\text{lag}}}{\text{Strategy}_{t-k-1-\text{lag}}}\right) \right)^2}$$

Where:

“Strategy_{t-j-lag}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Volatility} of logarithmic returns specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms (B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

xii. Historic Beta

Means the historic beta level of two relevant performance drivers, and calculated on the basis of their observations on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{HistoricBeta}_t = \frac{\sum_{j=1}^N \left(\ln \left(\text{PerfDriver}(1)_{t-j} \right) \times \ln \left(\text{PerfDriver}(2)_{t-j} \right) \right)}{\sum_{j=1}^N \ln \left(\text{PerfDriver}(2)_{t-j} \right)^2}$$

Where:

“N” means the number of logarithmic returns specified in the applicable Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

“PerfDriver(1)_{t-j}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms..

“PerfDriver(2)_{t-j}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

xiii. Historic Beta of Strategies

Means the historic beta level of two relevant strategies, and calculated on the basis of their observations on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{HistoricBeta}_t = \frac{\sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}(1)_{t-j}}{\text{Strategy}(1)_{t-j-1}} \right) \times \ln \left(\frac{\text{Strategy}(2)_{t-j}}{\text{Strategy}(2)_{t-j-1}} \right) \right)}{\sum_{j=1}^N \ln \left(\frac{\text{Strategy}(2)_{t-j}}{\text{Strategy}(2)_{t-j-1}} \right)^2}$$

Where:

“N” means the number of logarithmic returns specified in the applicable Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

“Strategy(1)_{t-j-lag}” means a Strategy as defined in this Technical Annex

“Strategy(2)_{t-j-lag}” means a Strategy as defined in this Technical Annex

xiv. Historic Beta with lag

Means the relation of two performance drivers calculated using their observations on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{HistoricBeta}_t = \frac{\sum_{j=1}^N \left(\ln \left(\text{PerDriver}(1)_{t-j-\text{lag}} \right) \times \ln \left(\text{PerDriver}(2)_{t-j-\text{lag}} \right) \right)}{\sum_{j=1}^N \ln \left(\text{PerDriver}(2)_{t-j-\text{lag}} \right)^2}$$

Where:

“N” means the number of logarithmic returns specified in the applicable Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

“lag” is a positive integer as defined in the Final Terms.

“PerfDriver(1)_{t-j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)_{t-j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

xv. Historic Beta with lag of a Strategy

Means the historic beta level of two relevant strategies, and calculated on the basis of their observations on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{HistoricBeta}_t = \frac{\sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}(1)_{t-j}}{\text{Strategy}(1)_{t-j-1}} \right) \times \ln \left(\frac{\text{Strategy}(2)_{t-j}}{\text{Strategy}(2)_{t-j-1}} \right) \right)}{\sum_{j=1}^N \ln \left(\frac{\text{Strategy}(2)_{t-j}}{\text{Strategy}(2)_{t-j-1}} \right)^2}$$

Where:

“N” means the number of logarithmic returns specified in the applicable Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

“Strategy(1)_{t-j-lag}” means a Strategy as defined in this Technical Annex

“Strategy(2)_{t-j-lag}” means a Strategy as defined in this Technical Annex

xvi. Variance

Means the historic variance level of the relevant performance driver, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{variance}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\text{PerfDriver}_{t-j} \right) \right)^2$$

Where:

“**PerfDriver_{t-j}**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**N**” means the number N^{Variance} of logarithmic returns, as specified in the applicable Final Terms.

“**N'**” means a standardization coefficient as specified in the Final Terms.

“**B**” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if Observations are made monthly, etc.).

“**Ln**” means the mathematical function “Natural Logarithm”.

xvii. Variance of a Strategy

Means the historic variance level of the relevant strategy, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{variance}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j}}{\text{Strategy}_{t-j-1}} \right) \right)^2$$

Where:

“**Strategy_{t-j}**” means a Strategy as defined in this Technical Annex

“**N**” means the number N^{Variance} of logarithmic returns, as specified in the applicable Final Terms.

“**N'**” means a standardization coefficient as specified in the Final Terms.

“**B**” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if Observations are made monthly, etc.).

Ln” means the mathematical function “Natural Logarithm”.

xviii. Variance with lag

Means the historic variance level of the relevant performance driver,, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Variance with Lag}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\text{PerfDriver}_{t-j-\text{lag}} \right) \right)^2$$

Where:

“PerfDriver_{t-j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Variance} of logarithmic returns, as specified in the applicable Final Terms.

“N’” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if Observations are made monthly, etc.).

“lag” means the observation time lag as specified in the Final Terms.

Ln” means the mathematical function “Natural Logarithm”.

xix. Variance with lag of a Strategy

Means the historic variance level of the relevant strategy, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{variance with Lag}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j-\text{lag}}}{\text{Strategy}_{t-j-1-\text{lag}}} \right) \right)^2$$

Where:

“Strategy_{t-j-lag}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Variance} of logarithmic returns, as specified in the applicable Final Terms.

“N’” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if Observations are made monthly, etc.).

“lag” means the observation time lag as specified in the Final Terms.

Ln” means the mathematical function “Natural Logarithm”.

xx. Centered Variance

Means the Historic centered Variance level of the relevant performance driver, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centered Variance}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\text{PerfDriver}_{t-j} \right) - \frac{1}{N} \sum_{k=1}^N \ln \left(\text{PerfDriver}_{t-k} \right) \right)^2$$

Where:

“PerfDriver_{t-j}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product,

a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Variance} of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

xxi. Centered Variance of a Strategy

Means the Historic centered Variance level of the relevant strategy calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centred Variance}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j}}{\text{Strategy}_{t-j-1}} \right) - \frac{1}{N} \sum_{k=1}^N \ln \left(\frac{\text{Strategy}_{t-k}}{\text{Strategy}_{t-k-1}} \right) \right)^2$$

Where:

“Strategy_{t,j}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Variance} of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“Ln” means the mathematical function “Natural Logarithm”.

xxii. Centered Variance with lag

Means the Historic centered Variance level of the relevant performance driver, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centred Variance with Lag}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{PerfDriver}_{t-j-\text{lag}}}{\text{PerfDriver}_{t-j-\text{lag}-1}} \right) - \frac{1}{N} \sum_{k=1}^N \ln \left(\frac{\text{PerfDriver}_{t-k-\text{lag}}}{\text{PerfDriver}_{t-k-\text{lag}-1}} \right) \right)^2$$

Where:

“PerfDriver_{t,j-lag}” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“N” means the number N^{Variance} of logarithmic returns as specified in the applicable Final Terms.

“N” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“lag” means the observation time lag as specified in the Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

xxiii. Centered Variance with lag of a Strategy

Means the Historic centered Variance level of the relevant strategy, calculated on the basis of the values observed on the Observation Dates or Determination Dates specified in the applicable Final Terms and determined according to the following formula:

$$\text{Centred Variance with Lag}_t = \frac{B}{N'} \times \sum_{j=1}^N \left(\ln \left(\frac{\text{Strategy}_{t-j-lag}}{\text{Strategy}_{t-j-1-lag}} \right) - \frac{1}{N} \sum_{k=1}^N \ln \left(\frac{\text{Strategy}_{t-k-lag}}{\text{Strategy}_{t-k-1-lag}} \right) \right)^2$$

Where:

“Strategy_{t-j-lag}” means a Strategy as defined in this Technical Annex

“N” means the number N^{Variance} of logarithmic returns as specified in the applicable Final Terms.

“N'” means a standardization coefficient as specified in the Final Terms.

“B” means the annualisation factor specified in the applicable Final Terms.

(B = 252 if observations are made daily, B = 52 if observations are made weekly, B = 12 if observations are made monthly, etc.).

“lag” means the observation time lag as specified in the Final Terms.

“Ln” means the mathematical function “Natural Logarithm”.

xxiv. Sum

Means the sum of the Applicable Values.

xxv. Weighted Sum

Means the weighted sum of the Applicable Values with the Weightings specified in the applicable Final Terms.

Accordingly, for Applicable Values from (1) to (n) et Weightings from (1) to (n), the Weighted Sum equals to:

$$\text{ApplicableValue}(1) \times \text{Weighting}(1) + \dots + \text{ApplicableValue}(n) \times \text{Weighting}(n)$$

Where :

“n” means whole number of Applicable Values or Weightings, as the case may be, as specified in the applicable Final Terms.

xxvi. Difference

Means the difference between two Applicable Values:

$$\text{Difference} = \text{Applicable Value}(1) - \text{Applicable Value}(2).$$

xxvii. Maximum (Max)

Means the greatest of N Applicable Values

$$\text{Maximum} = \text{Max}(\text{Applicable Value}(1), \dots, \text{Applicable Values}(N)).$$

xxviii. Maximum(n)

Means the nth highest value between N Applicable Values. Thus, Max(1) is the Applicable Value with the highest value among the Applicable Values specified in the applicable Final Terms.

xxix. Minimum (Min)

Means the smallest of N Applicable Values

$$\text{Minimum} = \text{Min}(\text{Applicable Value}(1), \dots, \text{Applicable Values}(N)).$$

xxx. Min(n)

Means the n^{th} lowest value between N Applicable Values. Thus, Min(1) is the Applicable Value with the lowest value among the Applicable Values specified in the applicable Final Terms.

xxxi. Product

Means the result of multiplying N Applicable Values

Product = Applicable Value(1) x ... x Applicable Value(N)

xxxii. Division (Ratio)

Means the ratio between 2 Applicable Values

Division = Applicable Value(1) / Applicable Value(2)

xxxiii. Absolute Value

Means the absolute value of an Applicable Value

xxxiv. Whole Part

Means the whole part of an Applicable Value

xxxv. Square Root

Means the square root of an Applicable Value

xxxvi. Cubic Root

Means the cubic root of an Applicable Value

xxxvii. Nth Root

Means the nth root of an Applicable Value

xxxviii. Exponential

Means the exponential value of an Applicable Value.

xxxix. Power Value

The Power Value of an Applicable Value 1 to the power of Applicable Value 2 is the result of the following formula

Applicable Value 1 ^{Applicable Value 2}

xl. Natural Logarithm

Means the natural logarithm value of an Applicable Value (i.e base logarithm)

xli. Zero-Coupon Value

Means the value of a zero-coupon reaching maturity on the Maturity Date of the Zero-Coupon with a value equalled to 1 at this date and calculated on a Determination Date prior to the Maturity Date of the Zero-Coupon from the Zero Coupon Rate defined in the applicable Final Terms

$$\text{Zero Coupon} = 1 / \left(1 + \text{Rate}\right)^{\frac{DT}{B}}$$

Where:

Rate means the Zero Coupon Rate defined in the applicable Final Terms:

“DT” means the number of Calculation Days between the Determination Date of the Zero-Coupon Value and the Maturity Date of the Zero-Coupon specified in the applicable Final Terms.

“B” means the Calculation Basis in the applicable Final Terms.

xlii. Linear Floor

Means the value of an amount repaying the Final Floor Value on the Final Determination Date and calculated on the basis of the Initial Floor Value defined in the applicable Final Terms:

$$LinearFloor = V0 + (VF - V0) \times t / T$$

Where:

“V0” means the Initial Floor Value as specified in the applicable Final Terms.

“VF” means the Final Floor Value as specified in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Determination Date specified in the Final Terms and the date of determination of the Linear Floor value.

“T” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the Final Observation Date or Final Determination Date, or the number of Calculation Days of the Observation Period or Determination Period, as specified in the applicable Final Terms.

xliii. Forward Exchange with Basis swap on Denominator

The Forward Exchange Rate means on a date t the implied rate that represents the anticipated value of an exchange rate on a future date t+1, determined from the prevailing exchange rate and the interest rates of the two currencies on date t.

$$FWD^t = FX^t \times \frac{\left(1 + (MonetaryReferenceRate_{1t} \times \frac{Act(t, t+1)}{B})\right)}{\left(1 + (MonetaryReferenceRate_{2t} + BasisSwap_t) \times \frac{Act(t, t+1)}{B}\right)}$$

Where

“FX^b” means the Foreign Exchange Rate as specified in the Final Terms on a relevant Determination Date or Observation Date t.

“MonetaryReferenceRate_{1t}” means Applicable Value of the risk-free rate of the currency 1 on the Determination Date t or Observation Date and as defined in the Final Terms.

“MonetaryReferenceRate_{2t}” means Applicable Value of the risk-free rate of the currency 2 on the Determination Date or Observation Date t and as defined in the Final Terms.

“BasisSwap_t” means the rate spread, issued from cross currency swaps, on the Determination Date or Observation Date t as defined in the Final Terms.

“Act (t,t+1)” means the number of calendar days between the Determination Date or Observation Date t (exclusive) and Determination Date or Observation Date t+1 (inclusive).

“B” means the Basis as specified in the Final Terms.

xliv. Forward Exchange with Basis swap on Numerator

The Forward Exchange Rate means on a date t the implied rate that represents the anticipated value of an exchange rate on a future date t+1, determined from the prevailing exchange rate and the interest rates of the two currencies on date t.

$$FWD^t = FX^t \times \frac{\left(1 + (MonetaryReferenceRate_{1t} + BasisSwap_t) \times \frac{Act(t, t+1)}{B}\right)}{\left(1 + MonetaryReferenceRate_{2t} \times \frac{Act(t, t+1)}{B}\right)}$$

Where

“**FX^b**” means the Foreign Exchange Rate as specified in the Final Terms on a relevant Determination Date or Observation Date t.

“**MonetaryReferenceRate_t**” means Applicable Value of the risk-free rate of the currency 1 on the Determination Date t or Observation Date and as defined in the Final Terms.

“**MonetaryReferenceRate_t**” means Applicable Value of the risk-free rate of the currency 2 on the Determination Date or Observation Date t and as defined in the Final Terms.

“**BasisSwap_t**” means the rate spread, issued from cross currency swaps, on the Determination Date or Observation Date t as defined in the Final Terms.

“**Act (t,t+1)**” means the number of calendar days between the Determination Date or Observation Date t (exclusive) and Determination Date or Observation Date t+1 (inclusive).

“**B**” means the Basis as specified in the Final Terms.

xlvi. Added Costs Net Value

Means the Applicable Value net of the Annual Costs calculated by addition.

Added Costs Net Value = Applicable Value - $F \times t / B$

Where

“**F**” means the rate of Annual Costs as specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Added Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“**B**” means the Basis specified in the applicable Final Terms.

xlvi. Added Costs Net Value Striked

Means the Applicable Value net of the Annual Costs calculated by addition minus a strike K.

Added Costs Net Value Striked = Applicable Value - $F \times t / B - K$

Where

“**F**” means the rate of Annual Costs as specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Added Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“**B**” means the Basis specified in the applicable Final Terms.

“**K**” means the level expressed in percentage as specified in the applicable Final Terms.

xlvi. Multiplied Costs Net Value

Means the Applicable Value net of the Annual Costs calculated by multiplication.

Multiplied Costs Net Value = Applicable Value $\times (100\% - F \times t / B)$

Where

“**F**” means the rate of Annual Costs specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Multiplied Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis specified in the applicable Final Terms.

xlvi. Multiplied Cost Net Value Striked

Means the Applicable Value net of the Annual Costs calculated by multiplication minus a strike K.

Multiplied Costs Net Value Striked = Applicable Value x (100% - F x t / B) - K

Where

“F” means the rate of Annual Costs specified in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Multiplied Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis specified in the applicable Final Terms.

“K” means the level expressed in percentage as specified in the applicable Final Terms.

xlix. Mixed Costs Net Value

Means the Applicable Value net of the Annual Costs calculated by addition and by multiplication.

Mixed Costs Net Value = Applicable Value x (100% - F)^{t/B} - F' x t / B

Where

“F” means the rate of Annual Costs calculated by multiplication specified in the applicable Final Terms.

“F'” means the rate of Annual Costs calculated by addition specified in the applicable Final Terms.

“B” means the Basis of the added Annual Costs as specified in the Final Terms

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Mixed Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis of multiplied Annual Costs specified in the applicable Final Terms.

i. Mixed Cost Net Value Striked

Means the Applicable Value net of the Annual Costs calculated by mixed way, both by addition and by multiplication minus a strike K.

Mixed Costs Net Value Striked = Applicable Value x (100% - F)^{t/B} - F' x t / B - K

Where

“F” means the rate of Annual Costs calculated by multiplication specified in the applicable Final Terms.

“B” means the Basis of the added Annual Costs as specified in the Final Terms

“F'” means the rate of Annual Costs calculated by addition specified in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Mixed Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis of multiplied Annual Costs specified in the applicable Final Terms.

“K” means the level expressed in percentage as specified in the applicable Final Terms.

ii. Composite Costs Net Value

Means the Applicable Value net of the Annual Costs calculated on a composite basis.

Composite Costs Net Value = Applicable Value x (100% - F)^{t/B}

Where

“F” means the rate of Annual Costs specified in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Composite Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis specified in the applicable Final Terms.

iii. Composite Costs Net Value Striked

Means the Applicable Value net of the Annual Costs calculated on a composite basis minus a strike K.

$$\text{Composite Costs Net Value Striked} = \text{Applicable Value} \times (100\% - F)^{t/B} - K$$

Where

“F” means the rate of Annual Costs specified in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Composite Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis specified in the applicable Final Terms.

“K” means the level expressed in percentage as specified in the applicable Final Terms.

liii. Volatility Costs Net Value

Means the Applicable Value net of the annual costs calculated on the basis of the Historic Centered Volatility.

$$\text{Volatility Costs Net Value} = \text{Applicable Value} \times (100\% - FVol)^{t/B}$$

Where

“FVol” means the rate of Volatility Costs:

$$FVol = \text{Volatility Costs} = \text{Indexation} \times \text{Max}(\text{Floor}, \text{Relevant Volatility})$$

“Relevant Volatility” means the Historic Volatility, or Historic Volatility of a Strategy, with or without lag, centered or not, as the case may be; as specified in the applicable Final Terms.

“Indexation” and “Floor” are the levels of indexation to the Historic Centered Volatility as defined in the applicable Final Terms.

“t” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Volatility Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“B” means the Basis specified in the applicable Final Terms.

liv. Volatility Costs Net Value Striked

Means the Applicable Value net of the annual costs calculated on the basis of the Historic Centered Volatility minus a strike K.

$$\text{Volatility Costs Net Value Striked} = \text{Applicable Value} \times (100\% - FVol)^{t/B} - K$$

Where

“FVol” means the rate of Volatility Costs:

$$FVol = \text{Volatility Costs} = \text{Indexation} \times \text{Max}(\text{Floor}, \text{Relevant Volatility})$$

“Relevant Volatility” means the Historic Volatility, or Historic Volatility of a Strategy, with or without lag, centered or not, as the case may be; as specified in the applicable Final Terms.

“Indexation” and “Floor” are the levels of indexation to the Historic centered Volatility as defined in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Volatility Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

“**B**” means the Basis specified in the applicable Final Terms.

“**K**” means the level expressed in percentage as specified in the applicable Final Terms.

iv. **Outperformance Costs Net Value**

Means the Applicable Value net of the outperformance costs calculated on the Determination Dates in comparison with a Reference Applicable Value

$$OutperformanceCostsNetValue_t = ApplicableValue_0 \times \prod_{i=1}^N \left[\frac{ApplicableValue_i}{ApplicableValue_{i-1}} - F_i' \right]$$

Where

“**Applicable Value₀**” means the initial value of the Applicable Value on the Initial Determination Date.

“**Applicable Value_i**” means the value of the Applicable Value on the Determination Date_i.

“**N**” means the number of Determination Dates in the calculation of the outperformance costs.

“**F_i'**” means the outperformance costs for the period between the Determination Dates i-1 and i.

$$F_i' = Indexation \times \text{Max} \left(\frac{ApplicableValue_i}{ApplicableValue_{i-1}} - \frac{Reference_i}{Reference_{i-1}} - Spread; 0 \right)$$

“**Indexation**” and “**Spread**” are the outperformance indexation levels and the Spread as defined in the applicable Final Terms.

“**Reference_i**” means the value of the Reference Applicable Value on the Determination Date_i.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Outperformance Costs Net Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

ivi. **Outperformance Costs Net Value Striked**

Means the Applicable Value net of the outperformance costs calculated on the Determination Dates in comparison with a Reference Applicable Value minus a strike K

$$OutperformanceCostsNetValue_t = ApplicableValue_0 \times \prod_{i=1}^N \left[\frac{ApplicableValue_i}{ApplicableValue_{i-1}} - F_i' \right] - K$$

Where

“**Applicable Value₀**” means the initial value of the Applicable Value on the Initial Determination Date.

“**Applicable Value_i**” means the value of the Applicable Value on the Determination Date_i.

“**N**” means the number of Determination Dates in the calculation of the outperformance costs.

“**F_i'**” means the outperformance costs for the period between the Determination Dates i-1 and i.

$$F_i' = Indexation \times \text{Max} \left(\frac{ApplicableValue_i}{ApplicableValue_{i-1}} - \frac{Reference_i}{Reference_{i-1}} - Spread; 0 \right)$$

“**Indexation**” and “**Spread**” are the outperformance indexation levels and the Spread as defined in the applicable Final Terms.

“**Reference_i**” means the value of the Reference Applicable Value on the Determination Date_i.

“**K**” means the level expressed in percentage as specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Outperformance Costs Net Value Striked, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

lvii. Capitalised Value

Means the Applicable Value capitalised at the Capitalisation Rate between the Initial Determination Date or Initial Observation Date and the date of determination of the Capitalised Value:

$$\text{Capitalised Value} = \text{Applicable Value} \times (1 + \text{Rate})^{t/B}$$

Where:

“**Rate**” means the Capitalisation Rate specified in the applicable Final Terms.

“**B**” means the Basis specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Capitalised Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

lviii. Actualised Value

Means the Applicable Value actualised at the Actualisation Rate between the Initial Determination Date and the date of determination of the Actualised Value:

$$\text{Actualised Value} = \text{Applicable Value} / (1 + \text{Rate})^{t/B}$$

Where:

“**Rate**” means the Actualisation Rate specified in the applicable Final Terms.

“**B**” means the Basis specified in the applicable Final Terms.

“**t**” means the number of Calculation Days between the Initial Observation Date or Initial Determination Date and the date of determination of the Actualised Value, or the number of Calculation Days of the Observation Period or the Determination Period, as specified in the applicable Final Terms.

lix. ExpoVol

Means the exposure to a risky asset and is determined with respect to a volatility indicator by

$$\text{ExpoVol} = \text{Min}(\text{Cap}; \text{VolTargetLevel} / \text{VH})$$

“**VH**” means the volatility indicator as defined in the Final Terms and can be an Historic Volatility, a Historic Centered Volatility, an Historic Volatility with Lag, or a Historic Centered Volatility with Lag,

“Cap” and “VolTargetLevel” are defined in the Final Terms

lx. ExpoBeta

Means the exposure to a risky asset and is determined with respect to a beta indicator by

$$\text{ExpoBeta} = \text{Max}[\text{Floor}, \text{Min}(\text{Cap}; \text{HB})]$$

“**HB**” means the beta indicator as defined in the Final Terms and can be an Historic Beta, or Historic Beta with Lag,

“Cap” and “Floor” are defined in the Final Terms

e. Strategy

i. Alpha Strategy

Means a strategy with the objective of giving regular exposure to performance spreads calculated for two performance drivers, hereafter “PerfDriver”. The value of the Alpha Strategy is defined recurrently on each Determination Date:

$$\text{AlphaStrategy}_t = \text{AlphaStrategy}_{t-1} \times [\text{PerfMonetary}_t + \text{PerfDriver}(1)_t - \text{PerfDriver}(2)_t]$$

“**PerfDriver(1)_t**” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

ii. Alpha Strategy Excess Return

Means a strategy with the objective of giving regular exposure to performance spreads calculated for two performance drivers, hereafter “PerfDriver”. The value of the Alpha Strategy Excess Return is defined recurrently on each Determination Date:

$$\text{AlphaStrategy}_t = \text{AlphaStrategy}_{t-1} \times [1 + \text{PerfDriver}(1)_t - \text{PerfDriver}(2)_t]$$

“**PerfDriver(1)_t**” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

iii. Alpha Strategy with Annual Costs

Means a strategy with the objective of giving regular exposure to performance spreads calculated for two performance drivers, hereafter “PerfDriver” and net of annual costs. The value of the Strategy is defined recurrently on each Determination Date:

$$\begin{aligned} \text{AlphaStrategy}_t &= \text{AlphaStrategy}_{t-1} \\ &\times \left[\text{PerfMonetary}_t + \text{PerfDriver}(1)_t - \text{PerfDriver}(2)_t - F \times \frac{dt}{B} \right] \end{aligned}$$

“**PerfDriver(1)_t**” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

iv. **Alpha Strategy Excess Return with Annual Costs**

Means a strategy with the objective of giving regular exposure to performance spreads calculated for two performance drivers, hereafter “PerfDriver” and net of annual costs. The value of the Alpha Strategy Excess Return with Annual Costs is defined recurrently on each Determination Date:

$$\text{AlphaStrategy}_t = \text{AlphaStrategy}_{t-1} \times \left[1 + \text{PerfDriver}(1)_t - \text{PerfDriver}(2)_t - F \times \frac{dt}{B} \right]$$

“PerfDriver(1)” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

v. **Beta Neutral Strategy**

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver and a performance weighted to a second performance driver, hereafter “PerfDriver” with this weighting being variable and determined from the ExpoBeta_{t-1} between the two performance drivers.

The value of the Beta Neutral Strategy is defined recurrently on each Determination Date:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\frac{\text{PerfDriver}(1)_t + \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t)}{\text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t)} \right]$$

“PerfDriver(1)” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where HistoricBeta_{t-1} means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and **“Cap”** are specified in the applicable Final Terms.

vi. Beta Neutral Strategy with annual costs

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver and a performance weighted to a second performance driver, hereafter **“PerfDriver”** with this weighting being variable and determined from the ExpoBeta_{t-1} between the two performance drivers.

The value of the Beta Neutral Strategy is defined recurrently on each Determination Date:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\frac{\text{PerfDriver}(1)_t + \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) - F \times \frac{dt}{B}}{\text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) - F \times \frac{dt}{B}} \right]$$

“PerfDriver(1),” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2),” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where HistoricBeta_{t-1} means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and **“Cap”** are specified in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

vii. Beta Neutral Strategy Excess Return

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver and a performance weighted to a second performance driver, with this weighting being variable and determined from the HistoricBeta_{t-1} between the two performance drivers, hereafter **“PerfDriver”**. The value of the Beta Neutral Strategy Excess Return is defined recurrently on each Determination Date and is calculated in excess of a monetary asset:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\frac{1 + \text{PerfDriver}(1)_t + \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t)}{-\text{PerfMonetary}_t} \right]$$

“**PerfDriver(1)**,” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)**,” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary**,” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“**ExpoBeta_{t-1}**” means the exposure calculated from a beta indicator:

ExpoBeta_{t-1} = Max(Floor; Min(Cap; HistoricBeta_{t-1})) where HistoricBeta_{t-1} means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“**Floor**” and “**Cap**” are specified in the applicable Final Terms.

viii. **Beta Neutral Strategy with Exposure Rate and Annual Costs**

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver with a weighting, and the performance of a second performance driver with the same applicable weighting multiplied by the ExpoBeta_{t-1} and net of annual costs, hereafter “PerfDriver”.

The value of the Beta Neutral Strategy with Exposure rate and Annual Costs is defined recurrently on each Determination Date:

$$\begin{aligned} \text{BetaStrategy}_t &= \text{BetaStrategy}_{t-1} \\ &\times \left[\frac{\text{PerfDriver}(1)_t \times \text{ExposureRate} - (\text{ExposureRate} - 1) \times \text{PerfMonetary}_t}{+ \text{ExposureRate} \times \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) - F \times \frac{dt}{B}} \right] \end{aligned}$$

“**ExposureRate**” means the investment exposure for PerfDriver(1). ExposureRate may be equal to 1

“**PerfDriver(1)**,” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)**,” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary**,” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination

Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where $\text{HistoricBeta}_{t-1}$ means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and **“Cap”** are specified in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

ix. **Beta Neutral Strategy Excess Return with Exposure Rate and Annual Costs**

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver with a weighting, and the performance of a second performance driver with the same applicable weighting multiplied by the ExpoBeta_{t-1} , hereafter “PerfDriver” and net of annual costs and in excess of a monetary asset.

The value of the Beta Neutral Strategy Excess Return with Exposure rate and Annual Costs is defined recurrently on each Determination Date:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\begin{aligned} &1 + \text{PerfDriver}(1)_t \times \text{ExposureRate} - \text{ExposureRate} \times \text{PerfMonetary}_t \\ &+ \text{ExposureRate} \times \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) \\ &- F \times \frac{dt}{B} \end{aligned} \right]$$

“ExposureRate” means the investment exposure for PerfDriver(1). ExposureRate may be equal to 1

“PerfDriver(1)_t” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)_t” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where $\text{HistoricBeta}_{t-1}$ means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and **“Cap”** are specified in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

x. Beta Neutral Strategy with Participation Rate and Annual Costs

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver and a performance weighted to a second performance driver, with this weighting being variable and determined from the HistoricBeta_{t-1} between the performances, hereafter “PerfDriver” and net of annual costs.

The value of the Beta Neutral Strategy with Participation Rate and Annual Costs is defined recurrently on each Determination Date:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\begin{array}{c} \text{PerfDriver}(1)_t + \\ \text{ParticipationRate} \times \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) \\ - F \times \frac{dt}{B} \end{array} \right]$$

“ParticipationRate” means the exposure to the beta adjusted PerfDriver(2). ParticipationRate may be equal to 1

“PerfDriver(1)” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where HistoricBeta_{t-1} means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and “Cap” are specified in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

xi. Beta Neutral Strategy Excess Return with Participation Rate and Annual Costs

Means an iterative strategy with the objective of giving regular exposure to the performance spread between a performance driver, hereafter “PerfDriver(1)” and a performance weighted to a second performance driver, hereafter “PerfDriver(2)”, with this weighting being variable and determined from the HistoricBeta_{t-1} between the performances and net of annual costs in excess of a monetary asset.

The value of the Beta Neutral Strategy Excess Return with Participation Rate and Annual Costs is defined recurrently on each Determination Date:

$$\text{BetaStrategy}_t = \text{BetaStrategy}_{t-1} \times \left[\frac{1 + \text{PerfDriver}(1)_t + \text{ParticipationRate} \times \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t) - \text{PerfMonetary}_t - F \times \frac{dt}{B}}{1} \right]$$

“ParticipationRate” means the exposure to the beta adjusted PerfDriver(2). ParticipationRate may be equal to 1

“PerfDriver(1)” means an Applicable Value (1) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)” means an Applicable Value (2) which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of another asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoBeta_{t-1}” means the exposure calculated from a beta indicator:

$\text{ExpoBeta}_{t-1} = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{HistoricBeta}_{t-1}))$ where HistoricBeta_{t-1} means the Beta as defined in the Final terms (Historic Beta or Historic Beta with Lag)

“Floor” and **“Cap”** are specified in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

xii. Vol Target Strategy

Means a strategy with the purpose of gaining exposure to a performance driver, hereafter “PerfDriver” with a variable exposure dependent on the Historic Volatility, and an exposure to an investment or a loan depending on the level of exposure taken.

The value of the Vol Target Strategy is defined recurrently on each Determination Date:

$$\text{VolTargetStrategy}_t = \text{VolTargetStrategy}_{t-1} \times \left[\frac{\text{ExpoRA}_{t-1} \times \text{PerfDriver}_t + \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread SA} \times \frac{\Delta(t-1, t)}{B} \right) - \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread FA} \times \frac{\Delta(t-1, t)}{B} \right)}{1} \right]$$

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoRA_{t-1}” means the exposure to the PerfDriver between the Determination Dates t-1 and t:

$$\text{ExpoRA}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and **“TargetVolLevel”** are defined in the Final Terms.

“ExpoSA_{t-1}” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“ExpoFA_{t-1}” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“SpreadSA” and **“SpreadFA”** mean the spreads applied to the monetary loan and investment.

“Δ(t -1, t)” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

xiii. Vol Target Strategy on a Strategy

Means a strategy with the purpose of gaining exposure to a Strategy with a variable exposure dependent on the Historic Volatility, and an exposure to an investment or a loan depending on the level of exposure taken.

The value of the Vol Target Strategy is defined recurrently on each Determination Date:

$$\text{VolTargetStrategy}_t = \text{VolTargetStrategy}_{t-1} \times \left[\begin{aligned} &\text{ExpoRA}_{t-1} \times \frac{\text{Strategy}_t}{\text{Strategy}_{t-1}} \\ &+ \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{SpreadSA} \times \frac{\Delta(t-1, t)}{B} \right) \\ &- \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{SpreadFA} \times \frac{\Delta(t-1, t)}{B} \right) \end{aligned} \right]$$

“Strategy_t” means a Strategy as defined in this Technical Annex

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoRA_{t-1}” means the exposure to the Strategy between the Determination Dates t-1 and t:

$$\text{ExpoRA}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and **“TargetVolLevel”** are defined in the Final Terms.

“**ExpoSA_{t-1}**” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“**ExpoFA_{t-1}**” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“**SpreadSA**” and “**SpreadFA**” mean the spreads applied to the monetary loan and investment.

“**Δ(t –1, t)**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

xiv. Vol Target Strategy with Annual Costs

Means a strategy with the purpose of gaining exposure to a performance driver, hereafter “PerfDriver”, with a variable exposure dependent on the Historic Volatility, and an exposure to an investment or a loan depending on the level of exposure taken and net of annual costs.

The value of the Vol Target Strategy is defined recurrently on each Determination Date:

$$\text{VolT arg etStrategy}_t = \text{VolT arg etStrategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoRA}_{t-1} \times \text{PerfDriver}_t \\ + \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread SA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread FA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - F \times dt / B \end{array} \right]$$

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoRA_{t-1}**” means the exposure to the PerfDriver between the Determination Dates t-1 and t:

$$\text{ExpoRA}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**TargetVolLevel**” are defined in the Final Terms.

“**ExpoSA_{t-1}**” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“**ExpoFA_{t-1}**” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“**SpreadSA**” and “**SpreadFA**” mean the spreads applied to the monetary loan and investment.

“**Δ(t –1, t)**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“**F**” means the Annual Costs for the replication of the Strategy.

“**B**” means the Basis specified in the applicable Final Terms.

xv. Vol Target Strategy on a Strategy with Annual Costs

Means a strategy with the purpose of gaining exposure to a performance driver with a variable exposure dependent on the Historic Volatility, and an exposure to an investment or a loan depending on the level of exposure taken and net of annual costs.

The value of the Vol Target Strategy is defined recurrently on each Determination Date:

$$VolT \arg etStrategy_t = VolT \arg etStrategy_{t-1} \times \left[\begin{array}{l} ExpoRA_{t-1} \times \frac{Strategy_t}{Strategy_{t-1}} \\ + ExpoSA_{t-1} \times \left(PerfMonetary_t + Spread SA \times \frac{\Delta(t-1, t)}{B} \right) \\ - ExpoFA_{t-1} \times \left(PerfMonetary_t + Spread FA \times \frac{\Delta(t-1, t)}{B} \right) \\ - F \times dt / B \end{array} \right]$$

“**Strategy_t**” means a Strategy as defined in this Technical Annex

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoRA_{t-1}**” means the exposure to the Strategy between the Determination Dates t-1 and t:

$$ExpoRA_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**TargetVolLevel**” are defined in the Final Terms.

“**ExpoSA_{t-1}**” means the exposure to a monetary investment:

$$ExpoSA_{t-1} = \text{Max}(0; 100\% - ExpoRA_{t-1})$$

“**ExpoFA_{t-1}**” means the exposure to a monetary loan:

$$ExpoFA_{t-1} = \text{Max}(0; ExpoRA_{t-1} - 100\%)$$

“**SpreadSA**” and “**SpreadFA**” mean the spreads applied to the monetary loan and investment.

“**Δ(t -1, t)**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“**F**” means the Annual Costs for the replication of the Strategy.

“**B**” means the Basis specified in the applicable Final Terms.

xvi. Vol Cap Strategy

Means a strategy with a dynamic exposure in accordance to the volatility of a performance driver compared to a volatility level as defined in the Final terms:

$$VolCapStrategy_t = VolCapStrategy_{t-1} \times \left[\begin{array}{l} ExpoVol_{t-1} \times PerfDriver_t \\ + (1 - ExpoVol_{t-1}) \times PerfMonetary_t \end{array} \right]$$

With:

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product,

a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoVol_{t-1}**” means the exposure to PerfDriver between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**VolLevel**” are defined in the Final Terms.

xvii. Vol Cap Strategy on a Strategy

Means a strategy with a dynamic exposure in accordance to the volatility of a performance driver compared to a volatility level as defined in the Final terms:

$$\text{VolCapStrategy}_t = \text{VolCapStrategy}_{t-1} \times \left[\text{ExpoVol}_{t-1} \times \frac{\text{Strategy}_t}{\text{Strategy}_{t-1}} + (1 - \text{ExpoVol}_{t-1}) \times \text{PerfMonetary}_t \right]$$

With:

“**Strategy_t**” means a Strategy as defined in this Technical Annex

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoVol_{t-1}**” means the exposure to Strategy between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**VolLevel**” are defined in the Final Terms.

xviii. Vol Cap Strategy on a Strategy with Annual Costs

Means a strategy with a dynamic exposure in accordance to the volatility of a performance driver compared to a volatility level as defined in the Final terms:

$$\text{VolCapStrategy}_t = \text{VolCapStrategy}_{t-1} \times \left[\text{ExpoVol}_{t-1} \times \frac{\text{Strategy}_t}{\text{Strategy}_{t-1}} + (1 - \text{ExpoVol}_{t-1}) \times \text{PerfMonetary}_t - F \times dt / B \right]$$

With:

“**Strategy_t**” means a Strategy as defined in this Technical Annex

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoVol_{t-1}**” means the exposure to Strategy between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and “VolLevel” are defined in the Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive)..

“B” means the Basis specified in the applicable Final Terms.

xix. Vol Cap Strategy with Annual Costs

Means a strategy with a dynamic exposure in accordance to the volatility of a performance driver compared to a volatility level as defined in the Final terms:

$$VolCapStrategy_t = VolCapStrategy_{t-1} \times \left[\frac{ExpoVol_{t-1} \times PerfDriver_t}{+ (1 - ExpoVol_{t-1}) \times PerfMonetary_t - F \times \frac{dt}{B}} \right]$$

With:

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoVol_{t-1}” means the exposure to PerfDriver between the Determination Dates t-1 and t:

$$ExpoVol_{t-1} = \text{Min}(\text{Cap}; VolCapLevel / VH_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and “VolCapLevel” are defined in the Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive)..

“B” means the Basis specified in the applicable Final Terms.

xx. Vol Cap Strategy on a Strategy with Annual Costs

Means a strategy with a dynamic exposure in accordance to the volatility of a performance driver compared to a volatility level as defined in the Final terms:

$$VolCapStrategy_t = VolCapStrategy_{t-1} \times \left[\frac{ExpoVol_{t-1} \times \frac{Strategy_t}{Strategy_{t-1}}}{+ (1 - ExpoVol_{t-1}) \times PerfMonetary_t - F \times \frac{dt}{B}} \right]$$

With:

“Strategy_t” means a Strategy as defined in this Technical Annex.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoVol_{t-1}” means the exposure to PerfDriver between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{VolCapLevel} / \text{VH}_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and **“VolCapLevel”** are defined in the Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“B” means the Basis specified in the applicable Final Terms.

xxi. Vol Cap Alpha Strategy

Means a strategy with a dynamic exposure in accordance to a volatility indicator spread between two performance drivers.

The value of Vol Cap Alpha Strategy is defined recurrently on each Determination Date.

$$\text{VolCapAlphaStrategy}_t = \text{VolCapAlphaStrategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoVol}_{t-1} \times \text{PerfAlpha}_t \\ + (1 - \text{ExpoVol}_{t-1}) \times \text{PerfMonetary}_t \end{array} \right]$$

And:

$$\text{PerfAlpha}_t = \text{PerfMonetary}_t + \text{PerfDriver (1)}_t - \text{PerfDriver (2)}_t$$

With:

“PerfDriver(1)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“ExpoVol_{t-1}” means the exposure to PerfDriver between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and **“VolLevel”** are defined in the Final Terms.

xxii. Vol Cap Alpha Strategy with Annual Costs

Means a strategy with a dynamic exposure in accordance to a volatility indicator spread between two performance drivers, and net of annual costs.

The value of Vol Cap Alpha Strategy is defined recurrently on each Determination Date.

$$VolCapAlphaStrategy_t = VolCapAlphaStrategy_{t-1} \times \left[ExpoVol_{t-1} \times PerfAlpha_t + (1 - ExpoVol_{t-1}) \times PerfMonetary_t - F \times \frac{dt}{B} \right]$$

And:

$$PerfAlpha_t = PerfMonetary_t + PerfDriver(1)_t - PerfDriver(2)_t$$

With:

“**PerfDriver(1)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1)

“**ExpoVol_{t-1}**” means the exposure to PerfDriver between the Determination Dates t-1 and t:

$$ExpoVol_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**VolLevel**” are defined in the Final Terms.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“**B**” means the Basis specified in the applicable Final Terms.

xxiii. Vol Cap Beta Strategy

Means a strategy with a dynamic exposure in accordance to the volatility of a beta driven performance driver compared to a volatility level as defined in the Final terms:

$$VolCapBetaStrategy_t = VolCapBetaStrategy_{t-1} \times \left[ExpoVol_{t-1} \times PerfBeta_t + (1 - ExpoVol_{t-1}) \times PerfMonetary_t \right]$$

And:

$$PerfBeta_t = PerfDriver(1)_t + ExpoBeta_{t-1} \times (PerfMonetary_t - PerfDriver(2)_t)$$

With:

“ExpoBetat-1” means the ExpoBeta specified in the Final Terms

“PerfDriver(1)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t- 1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoVol_{t-1}” means the exposure to PerfBeta between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“VH_t” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“Cap” and **“VolLevel”** are defined in the Final Terms.

xxiv. Vol Cap Beta Strategy with Annual Costs

Means a strategy with a dynamic exposure in accordance to the volatility of a beta driven performance driver compared to a volatility level as defined in the Final terms and net of annual costs

$$\text{VolCapBeta Strategy}_t = \text{VolCapBeta Strategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoVol}_{t-1} \times \text{PerfBeta}_t \\ + (1 - \text{ExpoVol}_{t-1}) \times \text{PerfMonetary}_t - F \times \frac{dt}{B} \end{array} \right]$$

And:

$$\text{PerfBeta}_t = \text{PerfDriver}(1)_t + \text{ExpoBeta}_{t-1} \times (\text{PerfMonetary}_t - \text{PerfDriver}(2)_t)$$

With:

“ExpoBetat-1” means the ExpoBeta specified in the Final Terms

“PerfDriver(1)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfDriver(2)_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t- 1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoVol_{t-1}” means the exposure to PerfBeta between the Determination Dates t-1 and t:

$$\text{ExpoVol}_{t-1} = \text{Min}(\text{Cap}; \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_t**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**Cap**” and “**VolLevel**” are defined in the Final Terms.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive)..

“**B**” means the Basis specified in the applicable Final Terms.

xxv. Switcher Strategy

Means a strategy with the objective of gaining exposure to an performance driver or another in accordance with a defined process.

The value of the Switcher Strategy is defined recurrently on each Determination Date:

$$SwitcherStrategy_t = SwitcherStrategy_{t-1} \times [Expo(1)_{t-1} \times PerfDriver(1)_t + Expo(2)_{t-1} \times PerfDriver(2)_t]$$

“**Switcher Strategy0**” is a constant value defined in the applicable Final Terms.

“**PerfDriver(1)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**Expo(1)t-1**” means the exposure to the performance of Performance(1) as defined in the applicable Final Terms.

“**Expo(2)t-1**” means the exposure to the performance of Performance(2) as defined in the applicable Final Terms.

xxvi. Switcher Strategy with Annual Costs

Means a strategy with the objective of gaining exposure to an performance driver or another in accordance with a defined process and net of annual costs.

The value of the Switcher Strategy is defined recurrently on each Determination Date:

$$SwitcherStrategy_t = SwitcherStrategy_{t-1} \times [Expo(1)_{t-1} \times PerfDriver(1)_t + Expo(2)_{t-1} \times PerfDriver(2)_t - F \times dt / B]$$

“Switcher Strategy0” is a constant value defined in the applicable Final Terms.

“**PerfDriver(1)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfDriver(2)_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**Expo(1)t-1**” means the exposure to the performance of Performance(1) as defined in the applicable Final Terms.

“**Expo(2)t-1**” means the exposure to the performance of Performance(2) as defined in the applicable Final Terms.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“**B**” means the Basis specified in the applicable Final Terms.

xxvii. VolTum Strategy

Means a strategy with the objective of gaining exposure to the a performance driver with variable exposure dependent on the Historic Volatility and the short-term performance (“momentum”), and exposure to an investment or a loan depending on the level of exposure taken.

The value of the Strategy is defined recurrently on each Determination Date:

$$VolTumStrategy_t = VolTumStrategy_{t-1} \times \left[\begin{array}{l} ExpoRA_{t-1} \times PerfDriver_t \\ + ExpoSA_{t-1} \times \left(PerfMonetary_t + Spread SA \times \frac{\Delta(t-1, t)}{B} \right) \\ - ExpoFA_{t-1} \times \left(PerfMonetary_t + Spread FA \times \frac{\Delta(t-1, t)}{B} \right) \end{array} \right]$$

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“**ExpoRA_{t-1}**” means the exposure to the Performance between the Determination Dates t-1 and t:

$$ExpoRA_{t-1} = \text{Min}(\text{Cap}; m_{t-1} \times \text{TargetVolLevel} / VH_{t-1})$$

“**VH_{t-1}**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“**m_{t-1}**” means the calculated exposure factor obtained by dividing the sum of the positive performances over a period by the sum of the absolute values of the negative performances over the same period:

$$m_t = \frac{\sum_{j=t-x-lag}^{t-1-lag} \text{Max}(R_j, 0)}{\text{Max} \left[1\%, \sum_{j=t-x-lag}^{t-1-lag} \text{Max}(-R_j, 0) \right]}$$

Where:

$$R_j = \ln(\text{PerfDriver}_t)$$

x: the number of values R_j calculated on the Determination Dates of the exposure factor m_{t-1}

“**Cap**” and “**TargetVolLevel**” are defined in the Final Terms.

“**ExpoSA_{t-1}**” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“**ExpoFA_{t-1}**” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“**SpreadSA**” and “**SpreadFA**” mean the spreads applied to the monetary loan and investment.

“ **$\Delta(t-1, t)$** ” means the number of Calculation Days between the Observation Date $t-1$ (exclusive) and the Observation Date t (inclusive) or between the Determination Date $t-1$ (exclusive) and the Determination Date t (inclusive)..

“**lag**” means the observation time lag as specified in the Final Terms.

xxviii. VolTum Strategy with Annual Costs

Means a strategy with the objective of gaining exposure to the a performance driver with variable exposure dependent on the Historic Volatility and the short-term performance (“momentum”), and exposure to an investment or a loan depending on the level of exposure taken and net of annual costs.

The value of the Strategy is defined recurrently on each Determination Date:

$$\text{VolTumStrategy}_t = \text{VolTumStrategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoRA}_{t-1} \times \text{PerDriver}_t \\ + \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{SpreadSA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{SpreadFA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - F \times dt / B \end{array} \right]$$

“**VolTum Strategy₀**” is a constant value defined in the applicable Final Terms.

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**PerfMonetary_t**” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates $t-1$ and t ; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates $t-1$ and t ; or 1).

“**ExpoRA_{t-1}**” means the exposure to the Performance between the Determination Dates $t-1$ and t :

$$\text{ExpoRA}_{t-1} = \text{Min}(\text{Cap}; m_{t-1} \times \text{TargetVolLevel} / \text{VH}_{t-1})$$

“**VH_{t-1}**” means the volatility indicator as defined in the Final Terms (Historic Volatility, Historic Centered Volatility, Historic Volatility with Lag or Historic Centered Volatility with Lag)

“ **m_{t-1}** ” means the calculated exposure factor obtained by dividing the sum of the positive performances over a period by the sum of the absolute values of the negative performances over the same period:

$$m_t = \frac{\sum_{j=t-x-lag}^{t-1-lag} \text{Max}(R_j, 0)}{\text{Max}\left[1\%, \sum_{j=t-x-lag}^{t-1-lag} \text{Max}(-R_j, 0)\right]}$$

Where:

$$R_j = \ln(\text{PerfDriver}_t)$$

x: the number of values R_j calculated on the Determination Dates of the exposure factor mt-1

“Cap” and “TargetVolLevel” are defined in the Final Terms.

“ExpoSA_{t-1}” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“ExpoFA_{t-1}” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“SpreadSA” and “SpreadFA” mean the spreads applied to the monetary loan and investment.

“ $\Delta(t-1, t)$ ” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive). “lag” means the observation time lag as specified in the Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“B” means the Basis specified in the applicable Final Terms.

xxix. CPPI Strategy

Means a strategy with the objective of gaining exposure to the performance of a performance driver with a variable exposure dependent on its relative level in relation to a given reference or a loan or investment depending on the level of exposure taken.

The value of the Strategy is defined recurrently on each Determination Date:

$$CPPI\text{Strategy}_t = CPPI\text{Strategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoRA}_{t-1} \times \text{PerfDriver}_t \\ + \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread SA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread FA} \times \frac{\Delta(t-1, t)}{B} \right) \end{array} \right]$$

“CPPI Strategy₀” is a constant value defined in the applicable Final Terms.

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoRA_{t-1}” means the exposure to the Performance between the Determination Dates t-1 and t: $\text{ExpoRA}_{t-1} = \text{Min} [\text{Cap} ; \text{Max} (\text{Floor} ; m \times \text{Cushion}_{t-1-\text{lag}})]$

“lag” means the observation time lag as specified in the Final Terms.

“Cushion_t” means the relative difference of the CPPI Strategy in relation to a predetermined level (Zero Coupon or Linear Floor value) as defined in the Final Terms:

$$\text{“Cushion}_t\text{”} = (\text{CPPI Strategy}_t - \text{Reference Value}_t) / \text{Strategy Value}_t$$

“Reference Value_t” means the Zero Coupon or Linear Floor value

“Strategy Value_t” means (i) CPPI Strategy_t or (ii) CPPI Strategy₀

“Cap” and **“Floor”** and **“m”** are defined in the applicable Final Terms.

“ExpoSA_{t-1}” means the exposure to a monetary investment:

$$\text{ExpoSA}_{t-1} = \text{Max}(0; 100\% - \text{ExpoRA}_{t-1})$$

“ExpoFA_{t-1}” means the exposure to a monetary loan:

$$\text{ExpoFA}_{t-1} = \text{Max}(0; \text{ExpoRA}_{t-1} - 100\%)$$

“SpreadSA” and **“SpreadFA”** mean the spreads applied to the monetary loan and investment.

“Δ(t -1, t)” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

xxx. CPPI Strategy with Annual Costs

Means a strategy with the objective of gaining exposure to the performance of a performance driver with a variable exposure dependent on its relative level in relation to a given reference or a loan or investment depending on the level of exposure taken, and net of annual costs.

The value of the Strategy is defined recurrently on each Determination Date:

$$CPPI\text{Strategy}_t = CPPI\text{Strategy}_{t-1} \times \left[\begin{array}{l} \text{ExpoRA}_{t-1} \times \text{PerfDriver}_t \\ + \text{ExpoSA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread SA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - \text{ExpoFA}_{t-1} \times \left(\text{PerfMonetary}_t + \text{Spread FA} \times \frac{\Delta(t-1, t)}{B} \right) \\ - F \times dt / B \end{array} \right]$$

“CPPI Strategy₀” is a constant value defined in the applicable Final Terms.

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“PerfMonetary_t” means the performance of a second asset as specified in the Final Terms (PerfMonetary_t may be equal to the Performance of a monetary index between the Determination Dates t-1 and t; or a Linear, Capitalised or Composite Financing Amount between the Determination Dates t-1 and t; or 1).

“ExpoRA_{t-1}” means the exposure to the Performance between the Determination Dates t-1 and t: $\text{ExpoRA}_{t-1} = \text{Min} [\text{Cap} ; \text{Max} (\text{Floor}; m \times \text{Cushion}_{t-1-\text{lag}})]$

“lag” means the observation time lag as specified in the Final Terms.

“Cushion_t” means the relative difference of the CPPI Strategy in relation to a predetermined level (Zero Coupon or Linear Floor value) as defined in the Final Terms:

$$\text{“Cushion}_t\text{”} = (\text{CPPI Strategy}_t - \text{Reference Value}_t) / \text{Strategy Value}_t$$

“Reference Value_t” means the Zero Coupon or Linear Floor value

“Strategy Value_t” means (i) CPPI Strategy_t or (ii) CPPI Strategy₀

“Cap” and **“Floor”** and **“m”** are defined in the applicable Final Terms.

“ExpoSA_{t-1}” means the exposure to a monetary investment:

$$\text{ExpoSAT-1} = \text{Max}(0; 100\% - \text{ExpoRAt-1})$$

“**ExpoFAt-1**” means the exposure to a monetary loan:

$$\text{ExpoFAt-1} = \text{Max}(0; \text{ExpoRAt-1}-100\%)$$

“**SpreadSA**” and “**SpreadFA**” mean the spreads applied to the monetary loan and investment.

“ **$\Delta(t-1, t)$** ” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“**B**” means the Basis specified in the applicable Final Terms.

xxxi. Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Denominator

Means a strategy with the objective of gaining exposure to the performance of a performance driver with dynamic foreign exchange hedging aiming to reduce the impact of fluctuating exchange rates by taking a reverse forward foreign exchange position.

$$\text{Strategy}_t = \text{Strategy}_{t-1} \times \left[\begin{array}{l} \frac{\text{FX}_t}{\text{FX}_{t-1}} \times \text{PerfDriver}_t \\ + \frac{1 + \text{MonetaryReferenceRate}(1)_{t-1} \times \frac{\Delta(t-1, t)}{B}}{1 + (\text{MonetaryReferenceRate}(2)_{t-1} + \text{BasisSwap}) \times \frac{\Delta(t-1, t)}{B}} \\ - \frac{\text{FX}_t}{\text{FX}_{t-1}} \end{array} \right]$$

Where:

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**FX_t**” means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“**MonetaryReferenceRate(1)_t**” means the Applicable Value (1) of the risk-free rate of the currency of the Strategy on the Determination Date t.

“**MonetaryReferenceRate(2)_t**” means the Applicable Value (2) of the risk-free rate of the currency of the Underlying on the Determination Date t.

“**BasisSwap**” means the rate spread as defined in the applicable Final Terms.

“ **$\Delta(t-1, t)$** ” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive). “**B**” means the Basis specified in the applicable Final Terms.

xxxii. Strategy with Dynamic Foreign Exchange Hedging with Basis Swap on Numerator

Means a strategy with the objective of gaining exposure to the performance of a performance driver with dynamic foreign exchange hedging aiming to reduce the impact of fluctuating exchange rates by taking a reverse forward foreign exchange position.

$$Strategy_t = Strategy_{t-1} \times \left[\begin{array}{l} \frac{FX_t}{FX_{t-1}} \times PerfDriver_t \\ 1 + (MonetaryReferenceRate(1)_{t-1} + BasisSwap) \times \frac{\Delta(t-1,t)}{B} \\ 1 + MonetaryReferenceRate(2)_{t-1} \times \frac{\Delta(t-1,t)}{B} \\ - \frac{FX_t}{FX_{t-1}} \end{array} \right]$$

Where:

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**FX_t**” means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“**MonetaryReferenceRate(1)_t**” means the Applicable Value (1) of the risk-free rate of the currency of the Strategy on the Determination Date t.

“**MonetaryReferenceRate(2)_t**” means the Applicable Value (2) of the risk-free rate of the currency of the Underlying on the Determination Date t.

“**BasisSwap**” means the rate spread as defined in the applicable Final Terms.

“**Δ(t-1,t)**” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive). “**B**” means the Basis specified in the applicable Final Terms.

xxxiii. Strategy with Dynamic Foreign Exchange Hedging with Annual Costs and Basis Swap on Denominator

Means a strategy with the objective of gaining exposure to the performance of a performance driver with dynamic foreign exchange hedging aiming to reduce the impact of fluctuating exchange rates by taking a reverse forward foreign exchange position, and net of annual costs.

$$Strategy_t = Strategy_{t-1} \times \left[\begin{array}{l} \frac{FX_t}{FX_{t-1}} \times PerfDriver_t \\ 1 + MonetaryReferenceRate(1)_{t-1} \times \frac{\Delta(t-1,t)}{B} \\ 1 + (MonetaryReferenceRate(2)_{t-1} + BasisSwap) \times \frac{\Delta(t-1,t)}{B} \\ - F \times dt / B \end{array} \right]$$

Where:

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“FX_t” means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“MonetaryReferenceRate(1)_t” means the Applicable Value (1) of the risk-free rate of the currency of the Strategy on the Determination Date t.

“MonetaryReferenceRate(2)_t” means the Applicable Value (2) of the risk-free rate of the currency of the Underlying on the Determination Date t.

“BasisSwap” means the rate spread as defined in the applicable Final Terms.

“Δ(t-1, t)” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“F” means the Annual Costs for the replication of the Strategy.

“dt” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“B” means the Basis specified in the applicable Final Terms.

xxxiv. Strategy with Dynamic Foreign Exchange Hedging with Annual Costs and Basis Swap on Numerator

Means a strategy with the objective of gaining exposure to the performance of a performance driver with dynamic foreign exchange hedging aiming to reduce the impact of fluctuating exchange rates by taking a reverse forward foreign exchange position, and net of annual costs.

$$Strategy_t = Strategy_{t-1} \times \left[\begin{array}{l} \frac{FX_t}{FX_{t-1}} \times PerfDriver_t \\ 1 + (MonetaryReferenceRate(1)_{t-1} + BasisSwap) \times \frac{\Delta(t-1, t)}{B} \\ 1 + MonetaryReferenceRate(2)_{t-1} \times \frac{\Delta(t-1, t)}{B} \\ - F \times dt / B \end{array} \right]$$

Where:

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“FX_t” means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“MonetaryReferenceRate(1)_t” means the Applicable Value (1) of the risk-free rate of the currency of the Strategy on the Determination Date t.

“MonetaryReferenceRate(2)t” means the Applicable Value (2) of the risk-free rate of the currency of the Underlying on the Determination Date t.

“BasisSwap” means the rate spread as defined in the applicable Final Terms.

“ $\Delta(t-1, t)$ ” means the number of Calculation Days between the Observation Date t-1 (exclusive) and the Observation Date t (inclusive) or between the Determination Date t-1 (exclusive) and the Determination Date t (inclusive).

“F” means the Annual Costs for the replication of the Strategy.

“dt” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“B” means the Basis specified in the applicable Final Terms.

xxxv. Strategy with Static Foreign Exchange Hedging

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) a forward foreign exchange position aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of the Underlying.

$$Strategy_t = Strategy_0 \times \left[\frac{FX_t}{FX_0} \times PerfDriver_t + \frac{FWD_0}{FX_0} - \frac{FX_t}{FX_0} \right]$$

Where:

“Strategy0” is a constant value defined in the applicable Final Terms.

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“FX_t”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“FX0”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“FWD0”: (i) means the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

xxxvi. Strategy with Static Foreign Exchange Hedging with Annual Costs

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) a forward foreign exchange position aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of the Underlying, and net of annual costs.

$$Strategy_t = Strategy_0 \times \left[\frac{FX_t}{FX_0} \times PerfDriver_t + \frac{FWD_0}{FX_0} - \frac{FX_t}{FX_0} - F \times dt / B \right]$$

Where:

“**Strategy₀**” is a constant value defined in the applicable Final Terms.

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**FX_t**”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“**FX₀**”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“**FWD₀**”: (i) means the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” is equal to the number of Calculation Days between the Initial Determination Date and the Determination Date t.

“**B**” means the Basis specified in the applicable Final Terms.

xxxvii.Strategy with Strip Foreign Exchange Hedging

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) multiple forwards foreign exchange positions, possibly on a different notional, aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of the performance driver.

$$Strategy_t = Strategy_0 \times \left[\frac{FX_t}{FX_0} \times PerfDriver_t + Z \times \sum_{d=0}^n \left(\frac{FWD_d}{FX_d} - \frac{FX_{d+1}}{FX_d} \right) \right]$$

Where:

“**Strategy₀**” is a constant value defined in the applicable Final Terms.

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**FX_t**”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“**FX₀**”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the

Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“FXd”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date d, as defined in the applicable Final Terms.

“FWDd” means (i) the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Determination Date d, maturing on the Determination Date d+1, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“Z” is a constant value defined in the applicable Final Terms.

“n” is a constant value defined in the applicable Final Terms.

xxxviii. Strategy with Strip Foreign Exchange Hedging with Annual Costs

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) multiple forwards foreign exchange positions, possibly on a different notional, aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of the performance driver, and net of annual costs.

$$Strategy_t = Strategy_0 \times \left[\frac{FX_t}{FX_0} \times PerfDriver_t + Z \times \sum_{d=0}^n \left(\frac{FWD_d}{FX_d} - \frac{FX_{d+1}}{FX_d} \right) - F \times dt / B \right]$$

Where:

“Strategy0” is a constant value defined in the applicable Final Terms.

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“FXt”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“FX0”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“FXd”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date d, as defined in the applicable Final Terms.

“FWDd” means (i) the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Determination Date d, maturing on the Determination Date d+1, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“Z” is a constant value defined in the applicable Final Terms.

“n” is a constant value defined in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“**dt**” is equal to the number of Calculation Days between the Initial Determination Date and the Determination Date t.

“**B**” means the Basis specified in the applicable Final Terms.

xxxix. Strategy with Stripped Foreign Exchange Hedging Iterated

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) multiple forwards foreign exchange positions, possibly on a different notional, aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of performance driver. This being carried on a iterate rhythm between dates t-1 and t.

$$Strategy_t = Strategy_{t-1} \times \left[\frac{FX_t}{FX_{t-1}} \times PerfDriver_t + Z \times \sum_{d=n(t-1)}^{n(t)} \left(\frac{FWD_d}{FX_d} - \frac{FX_{d+1}}{FX_d} \right) \right]$$

Where:

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**FX_t**”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“**FX₀**”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“**FX_d**”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date d, as defined in the applicable Final Terms.

“**FWD_d**” means (i) the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Determination Date d, maturing on the Determination Date d+1, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“**n(t-1)**” and “**n(t)**” are constant values as defined in the Final Terms.

“**Z**” is a constant value defined in the applicable Final Terms.

“**n**” is a constant value defined in the applicable Final Terms.

xl. Strategy with Stripped Foreign Exchange Hedging Iterated with Annual Costs

Means a strategy composed of (i) an exposure to the converted value of a performance driver and (ii) multiple forwards foreign exchange positions, possibly on a different notional, aiming to hedge the foreign exchange rate fluctuations between the currency of the strategy and that of performance driver, and net of annual costs. This being carried on a iterate rhythm between dates t-1 and t.

$$Strategy_t = Strategy_0 \times \left[\frac{FX_t}{FX_{t-1}} \times PerfDriver_t + Z \times \sum_{d=n(t-1)}^{n(t)} \left(\frac{FWD_d}{FX_d} - \frac{FX_{d+1}}{FX_d} \right) - F \times dt / B \right]$$

Where:

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“FX_t”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date t, as defined in the applicable Final Terms.

“FX₀”: (i) means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Initial Determination Date, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“FX_d”: means the Foreign Exchange Rate between the currency of the Strategy and the currency of the underlying(s) of the performance driver (such that the product of the performance driver and the Applicable Value of the Foreign Exchange Rate is in the currency of the Strategy) on the Determination Date d, as defined in the applicable Final Terms.

“FWD_d” means (i) the Applicable Value of the Forward Exchange between the currency of the Strategy and the currency of the underlying(s) of the performance driver on the Determination Date d, maturing on the Determination Date d+1, as defined in the applicable Final Terms, or (ii) is a constant value defined in the applicable Final Terms.

“n(t-1)” and **“n(t)”** are constant values as defined in the Final Terms.

“Z” is a constant value defined in the applicable Final Terms.

“n” is a constant value defined in the applicable Final Terms.

“F” means the Annual Costs for the replication of the Strategy.

“dt” is equal to the number of Calculation Days between the Initial Determination Date and the Determination Date t.

“B” means the Basis specified in the applicable Final Terms.

xli. **Leverage Strategy**

Means a strategy with an exposure greater than 100% to a performance driver and a monetary position corresponding to the financing of this overexposure.

$$Strategy_t = Strategy_{t-1} \times [Indexation \times PerfDriver_t - (Indexation - 100\%) \times Financing_t]$$

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“Indexation” is the leverage indexation express in percentage, as defined in the applicable Final Terms.

“Financing” corresponds to the amount of financing of the overexposure to the performance of the Underlying and is equal to (i) the constant value expressed as a percentage or an amount defined in the applicable Final Terms, (ii) the Linear Financing Amount as defined in the applicable Final Terms,

(iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

xlii. Leverage Strategy with Annual Costs

Means a strategy with an exposure greater than 100% to a performance driver and a monetary position corresponding to the financing of this overexposure and net of annual costs.

$$Strategy_t = Strategy_{t-1} \times \left[Indexation \times PerfDriver_t - (Indexation - 100\%) \times Financing_t - F \times \frac{dt}{B} \right]$$

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“Indexation” is the leverage indexation express in percentage, as defined in the applicable Final Terms.

“Financing_t” corresponds to the amount of financing of the overexposure to the performance of the Underlying and is equal to (i) the constant value expressed as a percentage or an amount defined in the applicable Final Terms, (ii) the Linear

Financing Amount as defined in the applicable Final Terms, (iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

“F” means the Annual Costs for the replication of the Strategy.

“dt” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“B” means the Basis specified in the applicable Final Terms.

xliii. Reverse Strategy

Means a strategy with a negative exposure to a performance driver.

$$Strategy_t = Strategy_{t-1} \times [Financing(1) + Indexation \times (Financing(2) - PerfDriver_t)]$$

“Strategy₀” is a constant value defined in the applicable Final Terms.

PerfDriver_t means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“Indexation” is as defined in the applicable Final Terms.

“Financing(1)” corresponds to the amount of remuneration at the risk-free rate and is equal to (i) constant value defined in the applicable Final Terms, (ii) the Linear Financing Amount as defined in the applicable Final Terms, (iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

“Financing(2)” corresponds to the performance at the risk-free rate and is equal to (i) the constant value expressed as a percentage or an amount defined in the applicable Final Terms, (ii) the Linear Financing Amount as defined in the applicable Final Terms, (iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

xliv. Reverse Strategy with Annual Costs

Means a strategy with a negative exposure to a performance driver and net of annual costs.

$$Strategy_t = Strategy_{t-1} \times \left[Financing(1) + Indexation \times (Financing(2) - PerfDriver_t) - F \times \frac{dt}{B} \right]$$

“PerfDriver_t” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“Indexation” is as defined in the applicable Final Terms.

“Financing(1)” corresponds to the amount of remuneration at the risk-free rate and is equal to (i) constant value defined in the applicable Final Terms, (ii) the Linear Financing Amount as defined in the applicable Final Terms, (iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

“Financing (2)” corresponds to the performance at the risk-free rate and is equal to (i) the constant value expressed as a percentage or an amount defined in the applicable Final Terms, (ii) the Linear Financing Amount as defined in the applicable Final Terms, (iii) the Composite Financing Amount as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

“F” means the Annual Costs for the replication of the Strategy.

“dt” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“B” means the Basis specified in the applicable Final Terms.

xlv. Composite Leverage Strategy

Means a strategy with exposure greater than 100% to the performance of a performance driver and a monetary position corresponding to the financing of this overexposure. The exposure to the performance driver is periodically recalculated and the amount of financing corresponding to this overexposure may be limited to a maximum amount.

$$Strategy_t = Strategy_{t-1} \times [Indexation_{t-1} \times PerfDriver_t - (Indexation_{t-1} - 100\%) \times Financing_{t-1}]$$

PerfDriver_t means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“Indexation_{t-1}” means the exposure to the performance driver, within the limit such that the resulting amount of financing is below a maximum level:

$$Indexation_{t-1} = \text{Min}(Indexation; 100\% + \frac{Cap}{Strategy_{t-1-lag}})$$

“Indexation” and **“Cap”** are as defined in the applicable Final Terms.

“lag” means the observation time lag as specified in the Final Terms.

“Financing” corresponds to the amount of financing of the overexposure to the performance of the Underlying and is equal to (i) constant value defined in the applicable Final Terms, (ii) the Linear Financing Amount on the Determination Date t as defined in the applicable Final Terms, (iii) the Composite Financing Amount on the Determination Date t as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

xlvi. Composite Leverage Strategy with Annual Costs

Means a strategy with exposure greater than 100% to the performance of a performance driver and a monetary position corresponding to the financing of this overexposure, and net of annual costs. The exposure to the performance driver is periodically recalculated and the amount of financing corresponding to this overexposure may be limited to a maximum amount.

$$Strategy_t = Strategy_{t-1} \times \left[Indexation_{t-1} \times PerfDriver_t - (Indexation_{t-1} - 100\%) \times Financing_{t-1} - F \times \frac{dt}{B} \right]$$

“**PerfDriver_t**” means an Applicable Value which reflects the evolution of one or more risky asset; it can be a Performance, an Excess Return Performance, or a Spread Performance, or a Sum, a Product, a Ratio or Weighted Average of Performances or Excess Return Performances or Spread Performances as defined in the Final Terms.

“**Indexation_{t-1}**” means the exposure to the performance driver, within the limit such that the resulting amount of financing is below a maximum level:

$$Indexation_{t-1} = \text{Min}(Indexation; 100\% + \frac{Cap}{Strategy_{t-1-lag}})$$

“**Indexation**” and “**Cap**” are as defined in the applicable Final Terms.

“**lag**” means the observation time lag as specified in the Final Terms.

“**Financing_t**” corresponds to the amount of financing of the overexposure to the performance of the Underlying and is equal to (i) constant value defined in the applicable Final Terms, (ii) the Linear Financing Amount on the Determination Date t as defined in the applicable Final Terms, (iii) the Composite Financing Amount on the Determination Date t as defined in the applicable Final Terms, or (iv) the performance of an Underlying representing a monetary investment.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“**B**” means the Basis specified in the applicable Final Terms.

xlvi. Composed Strategy

Means a strategy built by iteration of a performance driver from one period to another:

$$Strategy_t = Strategy_{t-1} \times PerfDriver_t$$

“**PerfDriver_t**” means an Applicable Value as defined in the Final Terms

xlvi. Composed Strategy with annual costs

Means a strategy built by iteration of an Applicable Value from one period to another, and net of annual costs:

$$Strategy_t = Strategy_{t-1} \times PerfDriver_t - F \times dt/B$$

“**PerfDriver_t**” means an Applicable Value as defined in the Final Terms.

“**F**” means the Annual Costs for the replication of the Strategy.

“**dt**” is equal to the number of Calculation Days between the Determination Dates t-1 and t.

“**B**” means the Basis specified in the applicable Final Terms.

xlix. Iterated Ratio Strategy, Iterated Ratio Strategy on date d, Intraday Iterated Ratio Strategy on date d

An Iterated Strategy on a Determination Date or Observation Date t is the repetition, on a set of Observation Dates or Determination Dates, starting at the Initial Determination or Observation date t_0 , of an investment of Strategy0 (a constant value defined in the applicable Final Terms) on a set of Underlyings, with a Periodic Fee Factor (a constant value defined in the applicable Final Terms).

The set of Observation Dates or Determination Dates takes the form of a list of $\{f+1\}$ dates $\{t_0, t_1, \dots, t_f\}$, as defined in the applicable Final Terms.

The set of $\{f\}$ couples of Applicable Values $\{[\text{Applicable Value } 0, \text{Applicable Value}' 0], [\text{Applicable Value } 1, \text{Applicable Value}' 1], \dots, [\text{Applicable Value } f-1, \text{Applicable Value}' f-1]\}$, as defined in the applicable Final Terms

On a Determination Date or Observation Date d , $t(d)$ is the date, within the set of Observation Dates or Determination Dates, immediately preceding date d , and $\{t_0, t_1, \dots, t(d)\}$ this set truncated to $t(d)$, $n(d)$ is the rank of the date $t(d)$ in this set (for the purpose of clarity if $d < t_1$ then $t(d)$ is t_0 and $n(d)=0$).

$$\text{Iterated Ratio Strategy} = S_0 \times \prod_{i=1}^f \frac{\text{ApplicableValue } i(t_i)}{\text{ApplicableValue}' i(t_{i-1})} \times (\text{PeriodicFeeFactor})^f$$

Where for all i Applicable Value $i(t)$ (resp. Applicable Value $i'(t)$) is the value of the Applicable Value i (resp. Applicable Value i') on a Determination Date or Observation Date t of the Schedule as defined in the Final Terms.

Iterated Ratio Strategy

$$= S_0 \times \prod_{i=1}^{n(d)} \frac{\text{ApplicableValue } i(t_i)}{\text{ApplicableValue}' i(t_{i-1})} \times \frac{\text{ApplicableValue } n(d)(d)}{\text{ApplicableValue}' n(d)(t(d))} \times (\text{PeriodicFeeFactor})^{n(d)}$$

Where ApplicableValue $n(d)(d)$ is the value of the ApplicableValue $n(d)$ on a Determination Date or Observation Date d such as defined in the Final Terms.

Intraday Iterated Ratio Strategy

$$= S_0 \times \prod_{i=1}^{n(d)} \frac{\text{ApplicableValue } i(t_i)}{\text{ApplicableValue}' i(t_{i-1})} \times \frac{\text{ApplicableValue Intraday } n(d)(d)}{\text{ApplicableValue}' n(d)(t(d))} \times (\text{PeriodicFeeFactor})^{n(d)}$$

Where ApplicableValue Intraday $n(d)(d)$ is the intraday value of the Applicable Value $n(d)$ during a Determination Date or Observation Date d such as defined in the Final Terms.

5. APPLICABLE CONDITIONS

a. Single conditions

i. European Barrier Condition

The European Barrier Condition is deemed met if on the Observation Date or Determination Date of the European Barrier Condition:

Applicable Value (1) $>$ or $\geq$ Applicable Value (2)

Where

“**Applicable Value (1)**” and “**Applicable Value(2)**” are Applicable Values specified in the applicable Final Terms.

As an illustration, Applicable Value (1) can therefore be equal to an observation of an Underlying, a constant, the time maximum of an equi-weighted basket, etc. Idem for Applicable Value(2).

ii. Daily Barrier Condition

The Daily Barrier Condition is deemed met if on each of the Observation Dates or Determination Dates of the Daily Barrier Condition:

$\text{Applicable Value (1)}_t > \text{or } \geq \text{Applicable Value (2)}_t$

Where

“**Applicable Value (1)_t**” and “**Applicable Value(2)_t**” mean the Applicable Value (1) and Applicable Value(2) on the Observation Date t or Determination Date t as defined in the applicable Final Terms.

Examples:

Applicable Value (1)_t: Closing Price of the DAX index

Applicable Value (1)_t: Observed Price of the EUR/USD Foreign Exchange Rate at 17:00 on page ECB37

Applicable Value (1)_t: Net Asset Value of the Carmignac Patrimoine fund

The Observation Dates or Determination Dates are all Business Days between the Initial Observation Date or Initial Determination Date and the Final Observation Date or Final Determination Date of the American Barrier Condition.

iii. Bermudan Barrier Condition

The Bermudan Barrier Condition is deemed met if on each of the Observation Dates or Determination Dates during the Observation Period of the Bermudan Barrier Condition:

$\text{Applicable Value (1)}_t > \text{or } \geq \text{Applicable Value (2)}_t$

Where

“**Applicable Value (1)_t**” and “**Applicable Value(2)_t**” mean the Applicable Value(1) and Applicable Value(2) on the Observation Date t or Determination Date t as defined in the applicable Final Terms.

The Observation Date t or Determination Date t and the Observation Period are as defined in the applicable Final Terms.

iv. American Barrier Condition

The American Barrier Condition is deemed met if at any time during the Observation Period :

$\text{Applicable Value (1)} > \text{or } \geq \text{Applicable Value (2)}$

Where

“**Applicable Value (1)**” and “**Applicable Value(2)**” are Applicable Values specified in the applicable Final Terms.

v. Reference Date Condition

The Reference Date Condition is deemed met if the Observation Date or Determination Date is posterior to the Reference Date of each Convertible Bond and/or the Reference Date of each Contingent Bond and/or the Reference Date of each Perpetual Bond and/or the Reference Date of each Bond, as specified in the Final Terms.

b. Multiple conditions

i. Cumulative Conditions

A Cumulative Condition of several single or multiple Conditions will be deemed met if each of these Conditions is met.

ii. Alternative Condition

An Alternative Condition of several single or multiple Conditions will be deemed met if at least one of these Conditions is met.

6. COUPONS

a. Indexed coupon

i. Interest Amount Indexed to a Formula or to an Applicable Value

Means an amount determined and calculated according to the method specified in the Final Terms from among the following methods:

- ✓ Upwards indexation formula (Call) on an Applicable Value
- ✓ Downwards indexation formula (Put) on an Applicable Value
- ✓ Applicable Value

where the Applicable Value is specified in the applicable Final Terms

ii. Coupon Floored to the Previous Coupon

Means a coupon which will be equal to the greater of the theoretical coupon and the previous coupon.

$$\text{Coupon}_t = \text{Max}(\text{Coupon}_{t-1}; \text{Theoretical Coupon}_t)$$

Where

“**Theoretical Coupon_t**” means the fixed, floating or indexed coupon as specified in the applicable Final Terms.

iii. Coupon Capped to the Previous Coupon

Means a coupon which will be equal to the lesser of the Theoretical Coupon and the previous coupon

$$\text{Coupon}_t = \text{Min}(\text{Coupon}_{t-1}; \text{Theoretical Coupon}_t)$$

Where

“**Theoretical Coupon_t**” means the fixed, floating or indexed coupon as specified in the applicable Final Terms.

iv. Conditional Coupon

Means an indexed coupon, the payment of which is subject to one or several Applicable Conditions defined in the Final Terms: if the Applicable Condition is met, the amount paid in respect of the Conditional Coupon will be equal to the amount A, else the amount paid in respect of the Conditional Coupon will be equal to the amount B.

v. Tempo Coupon

Means an indexed coupon payment of which is subject to an Applicable Condition defined in the Final Terms and which enables any previous unpaid coupons to be recovered: if the Applicable Condition is met, the amount paid in respect of the Tempo Coupon will be equal to the sum of the Theoretical Coupon in respect of the Applicable Condition and all Theoretical Coupons that have not been paid previously because their Applicable Conditions were not met:

If the Applicable Condition is met:

$$\text{Coupon}_t = \text{Sum of Theoretical Coupons}_t - \text{Sum of Coupons paid}_{t-1}$$

If the Applicable Condition is not met:

$$\text{Coupon}_t = \text{zero}$$

Sum of Theoretical Coupons_t means the sum of the theoretical coupons for all Determination Dates up to the Determination Date t which have been paid without regard to the Applicable Condition

Sum of Coupons paid_{t-1} means the Sum of the Coupons Paid for all Interest Payment Dates prior to the Determination Date t

vi. Performance Detached Coupon

Means an indexed coupon the amount of which is calculated by reference to an Applicable Value defined in the applicable Final Terms, according to the following formula:

$$\text{Coupon}_t = \text{Max}(0; \text{Applicable Variable}_t - \text{Sum of Coupons paid}_{t-1})$$

vii. Capped and Floored Performance Detached Coupon

Means an indexed coupon the amount of which is calculated by reference to an Applicable Value defined in the applicable Final Terms, according to the following formula:

$$\text{Coupon}_t = \text{Max}(\text{Floor}; \text{Min}(\text{Cap}; \text{Applicable Variable}_t - \text{Sum of Coupons paid}_{t-1}))$$

Sum of Coupons paid_{t-1} means the Sum of Coupons Paid for all Interest Payment Dates prior to the Determination Date t

Where Floor and Cap are defined in the applicable Final Terms

viii. Fixed Coupon

Means a coupon defined as a fixed amount in the applicable Final Terms.

Example: Fixed Coupon means EUR 1 000

ix. Sum of Coupon paid

Means the sum of the coupons that have already been determined and paid before the Determination Date.

$$\text{Sum of Coupons paid}_t = \text{Coupon}_1 + \dots + \text{Coupon}_t$$

By convention:

$$\text{Sum of Coupons paid}_0 = 0$$

Where Coupon_t means the coupon paid on the Coupon Date t defined in the applicable Final Terms

b. Incremental Coupon

Incremental Interest Rate means, for any Period, a rate determined by the Calculation Agent, expressed in the form of a percentage, equal (unless stipulated otherwise in the applicable Final Terms) to the number of Trigger Days included in this Period, divided by the number of Monitoring Days included in this Period.

Monitoring Day means, for any Period, any day included in this Monitoring Period which is (unless stipulated otherwise in the applicable Final Terms) a Scheduled Exchange Business Day, subject to the “Consequences of Disrupted Day(s)” described below.

Period means any period that begins on any Reference Date (not inclusive) and ends on the next Reference Date (inclusive), it being specified, for the avoidance of doubt, that the first Monitoring Period will begin on the first Reference Date (not inclusive) and the last Monitoring Period will end on the last Reference Date (inclusive).

Number of Monitoring Days means, for any Period, the number of Monitoring Days included in this Period.

Number of Trigger Days means, for any Period, the number of Monitoring Days included in this Period which are Trigger Days.

Reference Dates means the Dates as specified in the applicable Final Terms, or, if one of these dates is not a Monitoring Day, the next Monitoring Day.

Trigger Day means any Monitoring Day where the Price of the Underlying, as determined by the Calculation Agent at the Trigger Valuation Time, on the relevant Market on such Monitoring Day, is, as specified in the applicable Final Terms, (i) “greater than”, (ii) “greater than or equal to”, (iii) “less than” or (iv) “less than or equal to” the Trigger Price.

Trigger Price means the Price of the Underlying as specified in the applicable Final Terms.

Trigger Valuation Time means the time or period of time, on any Monitoring Day, as specified in the applicable Final Terms or, if the applicable Final Terms do not specify any Trigger Valuation Time, the Trigger Valuation Time will be the Valuation Time.

If the applicable Final Terms stipulate that the Incremental Interest clause applies, the provisions of this Condition will apply to every Interest Amount and/or Settlement Amount, subject to determining the applicable Incremental Interest Rate.

Unless stipulated otherwise in the applicable Final Terms, if a Monitoring Day is a Disrupted Day, such Monitoring Day will be deemed not to be a Monitoring Day and it will therefore not be taken into account in determining the Number of Monitoring Days and the Number of Trigger Days.

7. **INDEXATION FORMULAE**

a. **Upwards indexation formula (Call)**

Means the value defined by the following formula:

$$\text{Max}(\text{Applicable Value} - \text{Strike}; 0)$$

Where Applicable Value and Strike are defined in the applicable Final Terms

b. **Downwards indexation formula (Put)**

Means the value defined by the following formula:

$$\text{Max}(\text{Strike} - \text{Applicable Value}; 0)$$

Where Applicable Value and Strike are defined in the applicable Final Terms

8. **SETTLEMENT**

a. **Final Settlement Amount**

i. **Fixed Settlement Amount**

Means a Certificate settlement amount on the Maturity Date and as defined in the applicable Final Terms

Example: Settlement at 1,000 EUR

ii. **Bond Backed Settlement Amount**

Means a Certificate settlement amount on the Maturity Date equal to the product of the Quantity of Backed Bonds and the Final Settlement Amount of a Debt Instrument (Coupon Included), as specified in the applicable Final Terms.

iii. **Delta One Settlement Amount**

Means a Certificate settlement amount on the Maturity Date calculated from the Applicable Value(s) specified in the applicable Final Terms.

Example: Basket of fixed term Bonds with foreign exchange hedging

Applicable Value (of the Delta One Settlement Amount) = Added Costs Net Value

- Applicable Value of Added Cost Net Value : Strategy with Static Foreign Exchange Hedging (*definition 2*)
 - (c) Foreign Exchange Rate(of the Strategy with Static Foreign Exchange Hedging): EUR/USD
 - (d) Applicable Value (of the Strategy with Static Foreign Exchange Hedging): Weighted Basket Value
 - Components of the Weighted Basket: Ratios (Applicable Value (1) divided by Applicable Value (2))
- Applicable Value (1) of the Ratio: Sum of Applicable Value (a) and Applicable Value (b)

- ApplicableValue(a):Final Price of the Bond
- ApplicableValue(b): Sum of Capitalised Coupons of the Bond
- Capitalised Rate of the Sum of Capitalised Coupons of the Bond
- Applicable Value (2) of the Ratio: Initial Price of the Bond
 - Weightings the Weighted Basket: To be determined
- Added Costs (of the Net Added Costs Strategy): 1%

iv. Indexed Settlement Amount

Means a Certificate settlement amount on the Maturity Date equal to the product of the Indexation Level and the Indexation Formula specified in the applicable Final Terms

Example for a Leverage Certificate:

Indexed Settlement Amount = Indexation Level x Indexation Formula: 200% x Max(Applicable Value – Strike; 0)

With

Indexation Level (of the Indexed Settlement Amount): 200%

Indexation Formula (of the Indexed Settlement Amount): Call

Applicable Value of the Call: Closing Price of Share X on the Final Determination Date

Strike: 50% of the Closing Price of Share X on the Initial Determination Date

v. Conditional Settlement Amount

Means a settlement amount of the Certificate at the Maturity Date dependent on an Applicable Condition defined in the applicable Final Terms, i.e. equal to Final Settlement Amount A if the Applicable Condition is met, otherwise Final Settlement Amount B

Each Final Settlement Amount A and B shall be a Final Settlement Amount as defined in the Technical Annex.

Example

- Applicable Condition of the Conditional Settlement Amount: European Barrier Condition
Applicable Value 1 $\geq$ Value 2 where
 - Applicable Value 1: Value Worst Of Basket of Best Timing Performances on the Final Determination Date
 - Applicable Value 2: 60%
- Final Settlement Amount A = 100%
- Final Settlement Amount B = Equi-Weighted Basket Value of the Best Timing Performances on the Final Determination Date

vi. Composite Settlement Amount

Means a settlement amount defined by one or more Applicable Values.

vii. Combined Settlement Amount

Means a settlement amount defined by several Settlement Amounts.

b. Early Settlement

i. Fixed Settlement Amount

Means a Certificate settlement amount on the Automatic Early Settlement Date or the Optional Settlement Date and as defined in the applicable Final Terms.

ii. Bond Backed Settlement Amount

Means a Certificate settlement amount on the Automatic Early Settlement Date or the Optional Settlement Date equal to the product of the Quantity of Backed Bonds and the Final Settlement Amount of a Bond (Coupon Included), as specified in the applicable Final Terms.

iii. Delta One Settlement Amount

Means a Certificate settlement amount on the Automatic Early Settlement Date or the Optional Settlement Date calculated from the Applicable Value(s) specified in the applicable Final Terms.

iv. Indexed Settlement Amount

Means a Certificate settlement amount on the Automatic Early Settlement Date or the Optional Settlement Date equal to the product of the Indexation Level and the Indexation Formula specified in the applicable Final Terms

v. Conditional Settlement Amount

Means a settlement amount of the Certificate at the Automatic Early Settlement Date or the Optional Settlement Date dependent on an Applicable Condition defined in the applicable Final Terms

vi. Composite Settlement Amount

Means a settlement amount defined by one or more Applicable Values.

vii. Combined Settlement Amount

Means a settlement amount defined by several Settlement Amounts.

9. EXAMPLES

Example 1: Quarterly Crescendo Tempo Worst Of Return

- Coupon: Tempo Coupon (paragraph 6 a. iv. of the present Technical Annex):
 - Theoretical Coupon: Fixed Coupon 5%
 - Applicable Condition: European Barrier Condition (paragraph 5 a. i. of the present Technical Annex): Applicable Value 1 $\geq$ Applicable Value 2
 - Applicable Value 1: Worst Of Value of the Basket of Performances of the Underlyings on the Determination Date n
 - Applicable Value 2: 75%
- Automatic Early Settlement
 - Condition relating to Automatic Early Settlement(Condition 5.16): European Barrier Condition (paragraph 5 a. i. of the present Technical Annex) : Applicable Value 1 $\geq$ Applicable Value 2
 - Applicable Value 1: Worst Of Value of the Basket of Performances of the Underlyings on the Determination Date n
 - Applicable Value 2: 100%
 - Automatic Early Settlement Amount: Fixed Settlement Amount: 100%
- Final Settlement Amount: Conditional Settlement Amount (paragraph 8 a. v. of the present Technical Annex)
 - European Barrier Condition (paragraph 5 a. i. of the present Technical Annex): Applicable Value 1 $\geq$ Applicable Value 2
 - Applicable Value 1: Worst Of Value of the Basket of Performances of the Underlyings on the Final Determination Date
 - Applicable Value 2: 50%
 - Final Settlement Amount if the European Barrier Condition is met: Fixed Settlement Amount: 100%
 - Final Settlement Amount otherwise: Delta One Settlement Amount:
 - Applicable Value: Worst Of Value of the Basket of Performances of the Underlyings on the Final Determination Date

Example 2: Alpha Strategy Delta One Certificate with Costs of 1%

Final Settlement Amount: Delta One Settlement Amount (paragraph 8 a. iii. of the present Technical Annex)

Applicable Value: Strategy Net of Added Costs

- Applicable Value (of the Strategy Net of Added Costs): Target Vol Strategy (paragraph 4 e. ii. of the present Technical Annex)
 - Applicable Value (of the Target Vol Strategy): Long/Short Strategy (paragraph 4 e. i. of the present Technical Annex)
 - ✓ Applicable Value 1(of the Long/short Strategy): Observed price of the Key Ideas index;
 - ✓ Applicable Value 2 (of the Long/short Strategy): Closing price of the SX5T index
 - ✓ F (of the Long/short Strategy) = 0.70%,
 - ✓ B (of the Long/short Strategy) = 365;
 - ✓ PerfMonetary (of the Long/short Strategy)= Performance calculated on the observed price of the Eonia Capi index
 - Cap (of the Target Vol Strategy) = 100%
 - Volatility indicator (of the Target Vol Strategy): Historic Volatility
 - ✓ N (of the Historic Volatility) = 40
 - ✓ B (of the Historic Volatility) = 252
 - ✓ Applicable Value (of the Historic Volatility): Long/Short Strategy
 - Applicable Value 1(of the Long/short Strategy): Observed price of the Key Ideas index
 - Applicable Value 2(of the Long/short Strategy): Closing price of the SX5T index
 - F (of the Long/short Strategy) = 0.70%
 - B (of the Long/short Strategy) = 365
 - PerfMonetary (of the Long/short Strategy) = Performance calculated over the observed price of the Eonia Capi index
 - Added Costs (of the Strategy of Net Added Costs): 1%
- B (of the Strategy of Net Added Costs) = 365

Example 3: Delta One Certificate

Final Settlement Amount: Delta One Settlement Amount (paragraph 8 a. iii. of the present Technical Annex)

Applicable Value: Product of two Applicable Values

- Applicable Value(1): 0.95
- Applicable Value(2): Switcher Strategy (paragraph 4 e. iv. of the present Technical Annex)
 - with:
 - ✓ Switcher Strategy(0) = 1
 - ✓ Applicable Value(1): CAC 40 Index
 - ✓ Applicable Value(2): EONIA Capitalised
 - ✓ $\text{Expo}(1)t-1$: Market Indicator $t-1$
 - ✓ $\text{Expo}(2)t-1$: Difference between two Applicable Values
 - Applicable Value(1): 1
 - Applicable Value(2): $\text{Expo}(2)t-1$
 - ✓ Ft : 0

Example 4: Indexed Coupon

Indexed Coupon: Interest Amount Indexed to a Formula

- Applicable Value Call: Max (Applicable Value – Strike; 0)
 - Applicable Value: Observed price of the Market Indicator on the Observation Date tor Determination Date t
 - Strike: 0

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PROPRIETARY INDICES

GENERAL METHODOLOGY OF PROPRIETARY INDICES

Introduction

In the course of its business, Exane Derivatives may offer a range of indices that are calculated within the Exane group (the **Exane Indices** or each an “**Exane Index**” or a “**Proprietary Index or Indices**”).

This document describes how the Exane Indices are calculated. It should be read in conjunction with the specific methodologies for each Exane Index (individually the **Specific Methodology**).

Unless otherwise stated in the Specific Methodologies, Exane Derivatives acts as both the Sponsor and the Index Calculation Agent for the Exane Indices.

1. Definition

Base Currency	refers to the currency in which the Exane Index is denominated, as specified in each Specific Methodology.
Calculation Date	refers to an Exchange Business Day where more than seventy-five per cent (75%) of the Reference Prices of Index Components are obtained by the Index Calculation Agent according to the method detailed in Appendix 1, paragraph 2 and that is a TARGET 2 Business Day.
Constant	refers to a fixed number, associated to an eligible currency, which can belong to the Exane Index in the same way as an Index Component, although without being an Instrument (Equity, Fund, Index, Futures Contract or Debt Security).
Creation Date	refers to the creation date of an Exane Index and is specified in each Specific Methodology.
Debt Instrument Bankruptcy	means a Company (the issuer of the Debt Security Instrument) which (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).
Debt Security Instrument	refers to any financial instrument (including a bond, a convertible bond or a perpetual bond) representing a right of claim over the legal entity that issued such instrument that forms part of an Exane Index.

Depository	means the entity acting as depository of the Fund.
Deposit Agreement	means the contract or other financial instrument constituting the Depository Receipt, as amended or supplemented from time to time in accordance with its terms.
Equity Instrument	refers to a share or, as applicable, an ordinary share in the company's capital, a depository receipt representing ownership of the underlying share (a Depository Receipt), or a share in an exchange traded fund (an ETF or Exchange Traded Fund) that forms part of an Exane Index, each being issued by a company (a Company).
Equity Instrument Clearing System	means the principal domestic clearing system normally used to settle transactions on the Equity Instrument at the relevant time, as determined in good faith by the Index Calculation Agent.
Equity Instrument Clearing System Business Day	means any day on which the Equity Instrument Clearing System is open (or would have been open, but for the occurrence of an Equity Instrument Clearing System Settlement Disruption Event) for the acceptance and execution of settlement instructions.
Equity Instrument Clearing System Settlement Disruption Event	means an event outside the control of the Issuer, as a result of which (i) the Equity Instrument Clearing System cannot clear the transfer of the Equity Instrument or (ii) the Equity Instrument Clearing System ceases to clear all or any of its shares.
ETF Administrator	means the administrator, trustee or similar person with principal administrative responsibility for such ETF, as determined in good faith by the Index Calculation Agent.
ETF Advisor	means the person appointed to act as investment manager or investment adviser of the ETF, as determined in good faith by the Index Calculation Agent.
ETF Underlying Index	means the reference index to which such ETF is linked, as determined in good faith by the Index Calculation Agent.
Event Effective Date	means the effective date of the Event, as determined by the Index Calculation Agent.
Exchange Business Day	means any: (i) Scheduled Trading Day on which the Reference Market and the related exchange (if any) of an Equity Instrument, a Debt Security Instrument or an Index Instrument (for mono-exchange index only), as the case may be, are open for trading during their respective regular trading session, notwithstanding such Market Reference or related exchange closing prior to its scheduled weekday closing time on such date, without regards to after-hours or any other trading outside of the regular trading sessions; and/or (ii) Scheduled Trading Day on which the Reference Market of a Futures Contract Instrument is open for trading during its regular trading session, notwithstanding the Reference Market closing prior to its scheduled weekday closing time on such date, without regards to after-hours or any other trading outside of the regular trading sessions; and/or

	(iii) date on which a valid order may be executed by a hypothetical investor based on the Fund document in force on the Creation Date of the Exane Index; and/or
	(iv) Scheduled Trading Day on which the sponsor of an Index Instrument (for multi-exchange index only) publishes the level of the Index Instrument and the related exchange is open for trading during its regular trading session, notwithstanding such related exchange closing prior to its scheduled weekday closing time on such date, without regards to after-hours or any other trading outside of the regular trading sessions and/or
	(v) Scheduled Trading Day on which the sponsor of an Index Instrument (for Proprietary Index only) publishes the level of the Index Instrument.
Extraordinary Meeting	refers to a meeting of the Technical Committee convened following an unforeseen event that affects an Index Component. To prevent any conflict of interest, the Technical Committee shall base any decisions only in the interest of the smooth running of the Exane Index.
Fund	means any collective investment scheme or structure governed by French or foreign law, or any sub-fund of a collective investment scheme or structure governed by French or foreign law.
Fund Adviser	means any person authorised to act as discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser of a discretionary manager or another non-discretionary investment adviser) for the Fund.
Fund Documents	means, with respect to any Fund, the constitutive documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund
Fund Instrument	refers any share or unit of a collective investment scheme or structure governed by French or foreign law, or any sub-fund of a collective investment scheme or structure governed by French or foreign law that forms part of an Exane Index.
Fund Service Provider	means, in respect to any Fund, any person or entity who is appointed to provide services, directly or indirectly, for that Fund, whether or not specified in the Fund Documents, including any fund adviser, fund administrator, manager, trustee, auditor or similar person with the primary administrative responsibilities for such Fund, operator, management company, depository, custodian, subcustodian, prime broker, registrar and transfer agent, domiciliary agent.
Futures Contract Instrument	refers to a futures contract that forms parts of an Exane Index.
Futures Contract Underlying	means, in respect of the relevant Futures Contract instrument, the index(ices), share(s), debt instrument(s) or commodity(ies).
Hypothetical Investor	means any hypothetical or real investor (as determined by the Index Calculation Agent in the context of the relevant situation) in a Fund Instrument, who is deemed to have the rights and obligations, as specified in the relevant Fund Documents, of an investor holding a Fund Instrument on the relevant date. The Index Calculation Agent may assume that the Hypothetical Investor is resident in a jurisdiction or incorporated in a jurisdiction, and that it is, without limitation, the Issuer, the Guarantor (if applicable), the Index Calculation Agent or any of their affiliates (as the Index Calculation Agent may determine in the context of the relevant situation).

Index Advisor	refers to the entity responsible for supplying the Sponsor or, if applicable, the Index Calculation Agent with the information required for calculating and maintaining the Exane Index, notably that relating to the choice of Index Components.
Index Calculation Agent	refers to the company or any other entity whose role is to calculate the values of the Exane Indices and/or to make Adjustments applicable to the Exane Indices.
Index Component	refers to an Equity Instrument, a Fund Instrument, an Index Instrument, a Futures Contract Instrument and/or a Debt Security Instrument and/or a Constant.
Index Fees (F)	refers to any fee applied to the Exane Indices.
Index Instrument	refers to an index that forms part of an Exane Index (which may include, for the avoidance of doubt, a mono-exchange index, a multi-exchanges index or an Exane Index (for this latter and the sake of clarity, it will be named in the relevant following paragraphs as a “ Proprietary Index ”).
Management Company	means the entity acting as management company for the relevant Fund Instrument.
Meeting of the Technical Committee	refers to a Regular Meeting or an Extraordinary Meeting of the Technical Committee.
Net Asset Value	means, in respect of a Fund, the net asset value of the Fund Instrument, as calculated and published by any of its Fund Service Provider on the relevant date, it being specified that the Index Calculation Agent may adjust the net asset value of the Fund Instrument to reflect, without duplication, the portion borne by the Fund Instrument of all costs, commissions, expenses, charges, duties, taxes or deductions that may be payable and/or incurred in connection with the subscription or settlement of this Fund Instrument.
New Debt Security Instrument	means securities of the new company in the event of a Merger or securities resulting from Spin-Off (as applicable). Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original securities must be substituted for several different categories of securities, the Index Calculation Agent may decide to substitute for the relevant securities one (or more) of such securities (the Selected Security(ies)). In this case, the value of the security or securities not selected (the Excluded Security(ies)) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Security(ies), at the Index Calculation Agent’s choice, which shall be calculated by the Index Calculation Agent on the basis of the official closing price of both the Selected Security or Securities and the Excluded Securities, recorded simultaneously on the Event Effective Date. If the substituted security or securities include one or more unlisted securities, the Index Calculation Agent shall determine the fair market value of such unlisted security or securities on the Event Effective Date.
New Equity Instrument	mean the securities exchanged or offered for Equity Instruments pursuant to a Cash/Exchange Tender Offer, the securities of the new company or new fund in the case of a Merger or the securities resulting from a Spin-off (as the case may be). Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original securities must be substituted for several different categories of securities, the Index Calculation Agent may decide to substitute for

the relevant securities one (or more) of such securities (the **Selected Security(ies)**). In this case, the value of the security or securities not selected (the **Excluded Security(ies)**) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Security(ies), at the Index Calculation Agent's choice, which shall be calculated by the Index Calculation Agent on the basis of the official closing price of both the Selected Security or Securities and the Excluded Securities, recorded simultaneously on the Event Effective Date. If the substituted security or securities include one or more unlisted securities, the Index Calculation Agent shall determine the fair market value of such unlisted security or securities on the Event Effective Date.

New Fund Instrument

means the unit or securities of the new fund in the case of a Merger or the unit or security resulting from a Spin-off (as the case may be), received upon such Event by a holder of Fund Instruments prior to such Event. Any substitution shall be made as soon as possible after the Event Effective Date, by reference to the applicable exchange parity, it being understood that, in the event that the original unit or security must be substituted for several different categories of units or shares, the Index Calculation Agent may decide to substitute for the relevant units or securities one (or more) of such units or securities (the **Selected Fund Instrument (s)**). In this case, the value of the unit(s) or security(ies) not selected (the **Excluded Fund Instrument (s)**) shall be expressed as a number or a fraction of a number of one (or more) of the Selected Fund Instrument(s), at the Index Calculation Agent's choice, which shall be calculated by the Index Calculation Agent on the basis of the executed level for an Hypothetical Investor of both the Selected Fund Instrument(s) and the Excluded Fund Instrument(s), recorded simultaneously on the Event Effective Date. If the substituted unit(s) or share(s) include one or more unit(s) or share(s) with no executed level for an Hypothetical Investor, the Index Calculation Agent shall determine the fair market value of such unit(s) or share(s) on the Event Effective Date.

Rebalancing Date

refers to the date when the composition of an Exane Index is modified following a Meeting of the Technical Committee.

Reference Market

means the principal market or quotation system on which the relevant Index Components are traded and which offers the greatest liquidity of such Index Components, or any successor or replacement market or quotation system

Regular Meeting of the Technical Committee

refers to a meeting of the Technical Committee convened: (i) following a non-algorithmic change to the universe of Index Components; or (ii) according to the frequency specified in the Specific Methodologies. The purpose of this meeting is to select the new Index Components using the Technical Eligibility Criteria described in paragraph 3 "Construction and Calculation Rules of the Exane Indices" of the General Methodology and in paragraph 3.2 of the Specific Methodologies.

Scheduled Trading Day

means any day on which the Sponsor is scheduled to publish the official level of the Exane Index pursuant to its rules and

(i) any day on which the Reference Market and the related exchange (if any) of an Equity Instrument, a Debt Security Instrument or an Index Instrument (for mono-exchange index only), as the case may be, are scheduled to be open for trading during their respective regular trading sessions; and/or

(ii) any day on which the Reference Market of a Futures Contract Instrument is scheduled to be open for trading during its regular trading sessions; and/or

(iii) any day on which the sponsor of an Index Instrument (for multi-exchange index only) is scheduled to publish the level of the Index Instrument and the

related exchange is scheduled to be open for trading during its regular trading session; and/or

(iv) any day on which the sponsor of an Index Instrument (for Proprietary Index only) is scheduled to publish the level of the Index Instrument.

Settlement Cycle

means the period expressed as a number of Equity Instrument Clearing System Business Days following a transaction on the Equity Instrument on the Reference Market in respect of which settlement will normally take place within the rules of such Reference Market.

Sponsor

refers to the company or any other entity whose role is to: (a) set and revise the rules and procedures, the calculation methods and any related adjustments to the Exane Index; and (b) to publish (directly or through the intermediary of an agent) the level of the Exane Index on a regular basis during each Scheduled Trading Day.

Substitute Debt Instrument

means a debt security instrument (i) which is not the Debt Security Instrument of the Exane Index and (ii) which has, in the opinion of the Index Calculation Agent, similar characteristics to those of the excluded Debt Security Instrument (business sector, currency, rating, listing method, liquidity, volatility or any other pertinent parameter in the opinion of the Index Calculation Agent).

Substitute Equity Instrument

means an equity instrument (i) which is not the Equity Instrument of the relevant Exane Index and (ii) which has, in the opinion of the Index Calculation Agent, similar features to those of the excluded Equity Instrument (sector of activity, currency, market capitalisation, listing method, liquidity, volatility or any other pertinent feature in the opinion of the Index Calculation Agent).

Substitute Futures Contract Instrument

means a futures contract instrument (i) which is not the original Futures Contract Instrument of the Exane Index and (ii) which has, in the opinion of the Index Calculation Agent, similar features to those of the excluded Futures Contract Instrument (underlying, currency, maturity, liquidity of hedging instruments or any other pertinent feature, in the opinion of the Index Calculation Agent).

Substitute Fund Instrument

means a fund instrument (i) which is not a Fund Instrument of the relevant Exane Index, (ii) which has, in the opinion of the Index Calculating Agent, similar features to those of the excluded Fund Instrument (classification, management objective, investment guidelines or any other relevant parameter in the opinion of the Index Calculation Agent) and (iii) whose method of determination and frequency of Net Asset Value calculation is deemed satisfactory by the Index Calculation Agent.

Substitute Index Instrument

means an index instrument (i) which is not the Index Instrument of the Exane Index and (ii) which, in the opinion of the Index Calculation Agent, has similar characteristics to those of the excluded Index Instrument (geographical zone, business sector, currency, liquidity of futures and/or options contracts used for hedging, dividend calculation methodology or any other relevant parameter in the opinion of the Index Calculation Agent).

Substitution

means the cessation by the Index Calculation Agent of the indexation of the Exane Index to the Equity Instrument, the Index Instrument, the Fund Instrument, the Futures Contract Instrument or the Debt Security Instrument, as the case may be, and its replacement by, respectively, a Substitute Equity Instrument, a Substitute Index Instrument, a Substitute Fund Instrument, a

Substitute Futures Contract Instrument or a Substitute Debt Security Instrument, as the case may be or, in the case the Exane Index includes several Index Components as determined by the Index Calculation Agent (alternately to the ability of the Index Calculation Agent to choose for the replacement of the affected Index Component), the crystallization at the fair market value of the relevant Equity Instrument, the Index Instrument, the Fund Instrument, the Futures Contract Instrument or the Debt Security Instrument, as the case may be on the relevant Event Effective Date.

TARGET 2 Business Day refers to a day when the Trans-European Automated Real-Time Gross Settlement Express Transfer System known as TARGET 2 or any successor system is operating.

Underlying Equity Instrument means the share issued by the Company to which the Depository Receipt is linked, as determined in good faith by the Index Calculation Agent.

2. Objectives

The objectives of the Exane Indices will be described in the Specific Methodologies, since they are specific to each Exane Index.

3. Construction and Calculation Rules of the Exane Indices

To be present within the Exane Index, an Index Component must comply with the following Technical Eligibility Criteria:

- be listed on an admissible regulated market belonging to the list of eligible markets as mentioned in the Appendix X of the General Methodology (“Admissible Markets”) if it is an Equity Instrument;
- offer sufficient liquidity on the admissible regulated market;
- be in an admissible quote currency as mentioned in the Appendix X of the General Methodology (“Admissible Quote Currencies”)
- not be identified as being subject to an Embargo according to the lists provided by Exane Compliance, and, where relevant (stated in the Specific Methodologies), not on the applicable CSR Exclusion lists.

Selection, composition and eligibility rules that are specific to each Exane Index, are detailed in the applicable Specific Methodology.

4. The Technical Committee

The calculation of each Exane Index is established by a Technical Committee, as described in the relevant Specific Methodology. All members of the Technical Committee or their designated substitutes meet at least at each Regular Meeting of the Technical Committee to ensure that the calculation of the Exane Indices is established correctly.

The Technical Committee guarantees:

- compliance with the rules stated in the General Methodology, the Specific Methodologies and the Indices governance;
- compliance with the Technical Eligibility Criteria (majority voting)
- the calculation and publication of the Exane Indices.

The Technical Committee may decide to make changes to the construction rules.

Each decision by the Technical Committee (including changes to the composition of the Exane Index) will be recorded in minutes published on the internet site www.exane.com.

The Technical Committee may decide to make changes to the construction and calculation rules of one or several Exane Indices. These changes will give rise to the publication of a new General Methodology or a new Specific Methodology, as applicable.

Any additional role performed by the Technical Committee will be specified in the applicable Specific Methodology.

4.2 Meetings of the Technical Committee

Regular Meetings and Extraordinary Meetings are detailed in each Specific Methodology.

5. Composition of the Exane Indices

The Exane Indices may consist of any type of underlying instrument: an Equity Instrument, a Fund Instrument, an Index Instrument, a Futures Contract Instrument, or a Debt Security Instrument, or of any Constant.

6. Publication and communication of the Exane Indices

All available information on the Exane Indices (the General Methodology, the Specific Methodologies, historical prices, the composition of the Exane Indices and the prices of Index Components) can be found on the internet site www.exane.com.

Any other form of publication or communication is specified in the Specific Methodology.

7. Calculation of and adjustments to the Exane Indices

The calculation principles of the Exane Indices are described in each applicable Specific Methodology.

Unless otherwise stated in the Specific Methodology, the calculation of the Exane Indices will take place according to the conditions described in Appendix 1 “Calculation Method of the Exane Indices”.

Unless otherwise specified in the Specific Methodology, the occurrence of an event affecting an Exane Index, the adjustments of that Exane Index will be made in accordance with the methods described in Appendix 2 “Adjustments to the Exane Indices”.

Appendix 1 “Calculation Method of the Exane Indices”

Unless otherwise stated in the Specific Methodology, the Exane Index is calculated using the following formula:

$$Index(t) = \left(\sum_{i=1}^N q_i \times Act_i(t) \right) \times \left(1 - \frac{F}{B} \right)^{n(t)}$$

where:

N	=	number of Index Components at Calculation Date t
Index(t)	=	level of the Exane Index at Calculation Date t, expressed in the Base Currency
q _i	=	quantity of the Index Component _(i)
Act _i (t)	=	Reference Price of the Index Component _(i) at Calculation Date t, expressed in the Base Currency
F	=	Index Fees, equal to the percentage defined in the Specific Methodology
n(t)	=	number of calendar or working days, as specified in the Specific Methodology, between the Creation Date of the Exane Index and Calculation Date t
B	=	total number of calendar or working days per year, as specified in the Specific Methodology

1 Number of Index Components of the Exane Index “N”

The number of Index Components is determined at Regular or Extraordinary Meetings of the Technical Committee. Any minimum number will be specified in the Specific Methodology.

2 Reference Prices of Index Components

In order to determine if an Exchange Business Day is a Calculation Date for a relevant Exane Index, the Index Calculation Agent shall obtain more than seventy-five per cent (75%) of the Reference Prices of Index Components by determining the Reference Price of each Index Component by using the prices, quotes, level or other it obtained through the process explained hereafter. Generally speaking, an Index Component will have for an Exchange Business Day only one Reference Price that the Index Calculation Agent will save in a database. If, for a relevant Exchange Business Day, the Index Calculation Agent obtains more than seventy-five per cent (75%) of the Reference Prices of Index Components but, amongst the last twenty-five per cent, some of the Index Component does not have a Reference Price for such Exchange Business Day, therefore it will take into account the Reference Price for such Index Component on the last Calculation Date.

For technical and administrative reasons, Reference Price of Index Components for a relevant Exchange Business Day may have to be retrieved on a following Exchange Business Day.

Foreign exchange rate applicable to the Reference Price: the Reference Prices are expressed in the Base Currency. For the purpose of the calculation of the Exane Index with Index Components that are denominated in a currency other than the Base Currency, the applicable foreign exchange rate used for this conversion is the spot exchange rate against the Base Currency or determined using the observable spot exchange rates, which can be found at the end of each Exchange Business Day on Reuters (between 5.45 p.m. and 5.46 p.m., Paris time).

2.1 Reference Price of Equity Instruments

The Reference Price of an Equity Instrument is the official closing price on the Reference Market of this Equity Instrument on any Exchange Business Day.

2.2 Reference Price of Index Instruments

The Reference Price of an Index Instrument is the official level on the Reference Market of the Index Instrument (for a mono exchange index only) or the official level published by its Sponsor (for a multi exchange index or a Proprietary Index).

2.3 Reference Price of Fund Instruments

The Reference Price of a Fund Instrument is the official net asset value as calculated and/or published by the Fund Service Provider on an Exchange Business Day and available on Bloomberg. The Index Calculation Agent will be able to adjust the net asset value of the Fund Instrument to reflect, without duplication, the portion ascribable to the Fund Instrument of all costs, charges, taxes or levies payable and/or incurred through the subscription or redemption of the Fund Instrument.

2.4 Reference Prices of Futures Contract Instruments

The Reference Price of a Futures Contract Instrument is the clearing official price on any Exchange Business on the relevant Reference Market of this Futures Contract Instrument.

2.5 Reference Prices of Debt Security Instruments

The Reference Price of Debt Security Instrument includes accrued interest.

2.5.1. Reference Price of Debt Security Instrument which is a convertible bond

The Reference Price of each Debt Security Instrument which is a convertible bond is established by the Index Calculation Agent, based on convertible bonds market prices (where they exist), with at least three price spreads displayed by markets makers on Bloomberg.

The day's spreads 17 market makers (list in Appendix Z) are recorded at 17.35 (Paris time) on Bloomberg. Then, for each price spread, the corresponding mid prices are calculated from bid/ask prices. Once the mean and standard deviation of market makers' mid prices are determined, the Index Calculation Agent strips out prices outside the [mean -0.8 standard deviation; mean + 0.8 standard deviation] interval to calculate the new mid price average of the remaining market makers. The new mean becomes the Reference Price.

For convertible bonds listed ex-coupon, accrued interest is added back to calculate the Reference Price.

2.5.2. Reference Price of Debt Security Instruments other than convertible bond

The Reference Price of Debt Security Instruments other than convertible bond is established by the Index Calculation Agent at 3.15 a.m. (Paris time) with reference to the corresponding Bloomberg HP calculation page. The source used for each Debt Security Instrument is the latest BVAL source available.

In the case of high yield bonds whose quotation price excludes accrued interest, accrued coupons are reintegrated to calculate the Reference Price.

3. Market Disruption Events

If a Market Disruption Event occurs on a Calculation Date (a **Disrupted Day**), then the Index Calculation Agent shall not calculate the level of the Exane Index on such Calculation Date. For this purpose, a Market Disruption Event means the occurrence of an Index Component Event, as defined hereafter, which affects at least twenty five per cent (25 %) of the Index Components.

If any relevant Calculation Date is a Disrupted Day for an Exane Index, then the next Calculation Date shall be the first succeeding Scheduled Calculation Date which is not a Disrupted Day in respect of such Exane Index, unless each of the eight Scheduled Calculation Dates immediately following this initial Disrupted Day is a Disrupted Day (i.e. the Index Component Event continues to affect at least twenty five per cent (25 %) of the Index Components).

In such case, (1) such eighth Disrupted Day shall be deemed to be the relevant Calculation Date notwithstanding that such day is a Disrupted Day and (2) the Index Calculation Agent shall determine in good faith the level of such Exane Index on such eighth Disrupted Day, in accordance with the formula for and method of calculating such Exane Index last in effect prior to the occurrence of the first Disrupted Day using the traded or quoted prices on that eighth Disrupted Day of each Index Component as described in the paragraph 2 hereabove (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Index Component on that eighth Disrupted Day, its good faith estimate of the value for the relevant Index Component on that eighth Disrupted Day).

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

- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Share Instruments, the occurrence of a Share Disruption Event affecting one or more of such Share Instruments; and
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Fund Instruments, the occurrence of a Fund Disruption Event affecting one or more of such Fund Instruments; and
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Index Instruments, the occurrence of an Index Disruption Event affecting one or more of such Index Instruments;
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Futures Contract Instruments, the occurrence of a Futures Contract Disruption Event affecting one or more of such Futures Contract Instruments; and
- in respect of a Proprietary Index whose Index Components include, without limitation, one or more Debt Security Instruments, the occurrence of a Debt Security Disruption Event affecting one or more of such Debt Security Instruments.

Scheduled Calculation Date means the initial date which, but for the occurrence of an event causing a Disrupted Day, would have been a Calculation Date.

If a Market Disruption Event has been continuing after eight Exchange Business Day on an or several Index Component(s), the Index Calculation shall convene the Technical Committee, which will decide to (each, an **Index Disruption Remedy**):

- adjust any relevant terms of the Index Rules in a manner that preserves the economic characteristics of the Exane Index; or
- continue the determination of the official level of the Exane Index pursuant to the hereof provision for another maximum period of twenty Exchange Business Day; or
- permanently cancel the Exane Index if neither of the Index Disruption Remedies above constitute suitable remedies for such Market Disruption Event, as determined by the Technical Committee.

For each Index Disruption Remedy, the decision taken by the Technical Committee will be published as the paragraph 4 of the Appendix 1.

3.1 Equity Disruption Event

Equity Disruption Event means, in respect of an Equity Instrument the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which the Index Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Calculation Time, or (iii) an Early Closure. For the purpose hereof:

- **Early Closure** means the closure, on any Exchange Business Day, of the Reference Market or, as the case may be, the related exchange prior to its scheduled closing time, unless such early closing time has been announced by such Reference Market or by such related exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Reference Market or related exchange, as the case may be, on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the relevant Reference Market or, as the case may be, the related exchange system for execution at the Calculation Time on such Exchange Business Day.
- **Exchange Disruption** means any event (other than an Early Closure or a Trading Disruption) which disrupts or impairs (as determined by the Index Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Equity Instruments on the relevant Reference Market, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Equity Instrument on the related exchange.
- **Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Reference Market or, as the case may be, the related exchange or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits

permitted by the relevant Reference Market or relevant related exchange or otherwise, (i) relating to such Equity Instrument on the relevant Reference Market, or (ii) in futures or options contracts relating to such Equity Instrument on the relevant related exchange.

Calculation Time means the scheduled closing time on the relevant Reference Market on the relevant Calculation Date. If the relevant Reference Market closes prior to its scheduled closing time and the specified Calculation Time is after the actual closing time for its regular trading session, then the Calculation Time shall be such actual closing time.

3.2 Fund Disruption Event

Fund Disruption Event means, in respect of a Fund Instrument, the occurrence or existence of (i) Valuation Disruption, (ii) a Settlement Disruption or (iii) a Liquidity Disruption, that the Index Calculation Agent determines is material. Exceptionally, if an event occurs which constitutes both a Fund Disruption Event and an Event (as defined below) for such Fund Instrument, such event shall constitute an Event for such Fund Instrument and not a Fund Disruption Event. For the purpose thereof:

- **Liquidity Disruption** means, in respect of a Fund Instrument, any suspension, limitation or delay affecting the settlement of such Fund Instruments, whether in accordance with the provisions of the Fund Documents or for any other reason.
- **Settlement Disruption** means, in respect of a Fund Instrument on any date, failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Settlement Proceeds due in respect of such Fund Instrument, as such amount should have been paid at the latest by such date in accordance with the Fund Documents (without giving effect to any gating, deferral, suspension or any other provision permitting the Fund to delay or refuse settlement of Fund Instruments).
- **Valuation Disruption** means that:
 - (a) the Net Asset Value of the Fund Instrument is not determined and/or published by the Fund (or the Fund Service Provider which generally determines such value) in accordance with the provisions of the Fund Documents;
 - (b) the determination and/or publication of the Net Asset Value of the Fund Instrument, in accordance with the Fund Documents, has/have been suspended; or
 - (c) the Net Asset Value of the Fund Instrument published by the Fund (or the Fund Service Provider which generally determines such value) is incorrect or misrepresents the Net Asset Value of the Fund Instrument, in the reasonable opinion of the Index Calculation Agent.

Scheduled Settlement Valuation Date means, with respect to any Fund Instrument, the date on which the Fund (or its Fund Service Provider which generally determines such value) is scheduled, in accordance with its Fund Documents (without giving effect to any gating, deferral, suspension or any other provision permitting the Fund to delay or refuse settlement of Fund Instruments) to determine the Net Asset Value of such Fund Instrument for purposes of calculating the settlement proceeds to be paid to an investor who has submitted a valid notice by the required Fund Instrument settlement deadline for settlement of Fund Instrument, based on the value determined on such date. The Scheduled Settlement Valuation Date, relating to any Calculation Date, shall be the Scheduled Settlement Valuation Date occurring on such Calculation Date, or, if no Scheduled Settlement Valuation Date occurs on such Calculation Date, the immediately preceding Scheduled Settlement Valuation Date.

Settlement Notification Date means, in respect of any Fund Instrument and Calculation Date, the latest date on which a Hypothetical Investor in such Fund Instrument would be authorised, pursuant to the Fund Documents, to submit a settlement notice by the required deadline for settlement on the Scheduled Settlement Valuation Date

taking place on such Calculation Date, or, if no Scheduled Settlement Valuation Date occurs on such Calculation Date, the immediately preceding Scheduled Settlement Valuation Date.

Settlement Proceeds means the proceeds, as determined by the Index Calculation Agent, that would be paid by the Fund to a Hypothetical Investor whose Fund instruments are being redeemed on the relevant Settlement Valuation Date, provided that (1) all proceeds to be paid in property other than cash shall be valued by the Index Calculation Agent at its reasonable discretion, and (2) if the Hypothetical Investor has the right to opt for payment of such settlement proceeds to be made either in cash or in property, the Hypothetical Investor shall be deemed to have opted for payment of such proceeds in cash.

Settlement Valuation Date means, in respect of any Fund Instrument and any Scheduled Settlement Valuation Date, the date on which the Fund (or its Fund Service Provider which generally determines such value) determines the Net Asset Value of such Fund Instrument for purposes of calculating the settlement proceeds to be paid to a Hypothetical Investor who has submitted a valid settlement notice at the latest by the corresponding Settlement Notification Date.

3.3 Index Disruption Event

Index Disruption Event means, in respect of an Index Instrument, the non-publication of the Closing Level by the Sponsor.

3.4 Futures Contract Disruption Event

Futures Contract Disruption Event means, in respect of a Futures Contract Instrument, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which the Index Calculation Agent determines, in each case, is material and which occurs at any time during the one-hour period prior to the relevant Valuation Time, or (iii) an Early Closure. For the purpose thereof:

- **Early Closure** means the closure, on any Exchange Business Day, of the relevant Reference Market prior to its Scheduled Closing Time, unless such early closing time has been announced by such Reference Market at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Reference Market on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into the Reference Market system for execution at the Valuation Time on such Exchange Business Day.
- **Exchange Disruption** means any event (other than an Early Closure or a Trading Disruption) which disrupts or impairs (as determined by the Index Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, the Futures Contract Instrument on the Reference Market.
- **Trading Disruption** means any suspension of or limitation imposed on trading by the relevant Reference Market or otherwise (other than an Early Closure or Exchange Disruption), whether by reason of movements in price exceeding limits permitted by the relevant Reference Market or otherwise, in the relevant Futures Contract Instrument on the relevant Reference Market.

Calculation Time means:

- In respect of a mono-exchange index, the scheduled closing time on the relevant Reference Market on the relevant Calculation Date. If the relevant Reference Market closes prior to its scheduled closing time and the specified Calculation Time is after the actual closing time for its regular trading session, then the Calculation Time shall be such actual closing time;
- In respect of a multi-exchange index, for the purposes determining whether an Index Disruption Event has occurred (x) in respect of any Index Component, the scheduled closing time on the Reference Market in

respect of such Index Component and (y) in respect of any futures or options contracts of such Index Instrument, the close of trading on the Related Exchange;

- In respect of an Exane Index, the time at which its official level is published by the Sponsor pursuant to the General Methodology of Exane Indices and Specific Methodology of Exane Indices, as amended, supplemented or replaced from time to time.

3.5 Debt Security Disruption Event

Debt Security Disruption Event means, in respect of a Debt Security Instrument:

- (a) any suspension or limitation on trading imposed by the Reference Market or
- (b) any suspension or limitation on trading on listed options contracts or futures contracts relating to the Debt Security Instrument, which the Index Calculation Agent determines is material and which occurs at any time during the one-hour period prior to the relevant Calculation Time or
- (c) any suspension of publication on the relevant screen page of the Debt Security Instrument or the unavailability of clean bid prices from at least two market participants.

Calculation Time means the scheduled closing time on the relevant Reference Market on the relevant Calculation Date or (ii) for a Debt Security Instrument that is not traded on a Reference Market 16.00 CET.

4 Quantity of Index Components / Rebalancing mechanism

4.1. General mechanism

The quantity of each Index Component will be modified following a Regular Meeting or a reinvestment of income and profits if the Specific Methodology provides for such a reinvestment, and may also be modified following an Extraordinary Meeting of the Technical Committee or an Adjustment as described below.

4.1.1 Continuity of the aggregate value of the Index Components of the Exane Index

$$\sum_1^{N_{old}} q_{i,t}^{Old} \times Act_{i,t}^{Old} = \sum_1^{N_{new}} q_{i,t}^{New} \times Act_{i,t}^{New}$$

where:

N_{old}	=	number of Index Components determined at the previous Meeting of the Technical Committee
N_{new}	=	number of Index Components determined at the new Meeting of the Technical Committee
$q_{i,t}^{Old}$	=	quantity of the Index Component _(i) appearing in the previous composition of the Exane Index
$q_{j,t}^{New}$	=	quantity of the Index Component _(i) appearing in the new composition of the Exane Index
$Act_{i,t}^{Old}$	=	price of the Index Component _(i) appearing in the previous composition of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency
$Act_{i,t}^{New}$	=	price of the Index Component _(i) appearing in the new composition of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency

4.1.2 Rebalancing of Index Components at each Rebalancing Date:

$$q_{i,t}^{New} \times Act_{i,t}^{New} \times \left(1 - \frac{F}{B}\right)^{n(t)} = Weight_{i,t}^{New} \times Index(t)$$

where:

$q_{i,t}^{New}$	=	quantity of the Index Component _(i) appearing in the new composition of the Exane Index
$Act_{i,t}^{New}$	=	price of the Index Component _(i) appearing in the new composition of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency
$Index(t)$	=	level of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency
$Weight_{i,t}^{New}$	=	the new weight of each Index Component _(i) at Rebalancing Date t
F	=	Index Fees equal to the percentage defined in the Specific Methodology
$n(t)$	=	number of calendar or working days, as stated in the Specific Methodology, between the Creation Date of the Exane Index and Rebalancing Date t
B	=	total number of calendar or working days per year, as stated in the Specific Methodology

4.1.2 (cont.) Weighting of Index Components at each Rebalancing Date:

$$q_{i,t}^{New} \times Act_{i,t}^{New} \times \left(1 - \frac{F}{B}\right)^{n(t)} = \frac{Index(t)}{N_{new}}$$

where:

N_{new}	=	number of Index Components determined at the new meeting of the Technical Committee
$q_{i,t}^{New}$	=	quantity of the Index Component _(i) appearing in the new composition of the Exane Index
$Act_{i,t}^{New}$	=	price of the Index Component _(i) appearing in the new composition of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency
$Index(t)$	=	value of the Exane Index at Rebalancing Date t of the Exane Index, expressed in the Base Currency
F	=	Index Fees equal to the percentage defined in the Specific Methodology
$n(t)$	=	number of calendar or working days, as stated in the Specific Methodology, between the Creation Date of the Exane Index and Rebalancing Date t
B	=	total number of calendar or working days per year, as stated in the Specific Methodology

4.2. Mechanism specific to reinvestment of income and profits of an Index Component

Each applicable Specific Methodology will specify how income and profits of an Index Component are taken into account.

If the Specific Methodology states that the Exane Index takes into account the reinvestment of income and profits of an Index Component, the quantities of the Index Components are readjusted in the following manner to take into account payments of income and profits between two Rebalancing Dates, but without seeking to obtain a equal weighting of the Index Components.

a) If the income and profits are reinvested in the Exane Index:

$$q_{i,t}^{New} = q_{i,t}^{Old} \times \left(1 + \frac{D_t}{\sum_1^N q_{i,t}^{Old} \times Act_{i,t}}\right)$$

where:

D_t	=	the total amount of income and profits net of the withholding tax rate applicable in the country of domicile of each Index Component _(i) at date t.

$$D_t = \sum_{i=1}^{i=N} D_{i,t}$$

$D_{i,t}$	=	the amount of income and profits net of the withholding tax rate applicable in the country of domicile of the Index Component _(i) at date t, also equal to

$$D_{i,t} = q_{i,t}^{Old} \times d_{i,t} \times (1 - WT_i)$$

- $q_{i,t}^{Old}$ = the quantity of the Index Component_(i) appearing in the previous composition of the Exane Index at date t
- $q_{i,t}^{New}$ = the quantity of the Index Component_(i) appearing in the new composition of the Exane Index at date t
- $Act_{i,t}$ = the value of the Index Component_(i) after the income and profits are paid on date t
- $d_{i,t}$ = the gross unit income and profits denominated in euros paid by the Index Component_(i) at date t.
- WT_i = the withholding tax rate applicable in the country of domicile of the Index Components_(i) as defined in Appendix Y.

If the Exane Index is calculated with gross income and profits reinvested, WT_i will be equal to zero.

- b) If the income and profits for an Index Component(j') are reinvested in the corresponding Index Component (j'), the following formula is applied for any j':

$$q_{j',t}^{New} = q_{j',t}^{Old} + \frac{D_{j',t}}{Act_{j',t}}$$

where:

- $D_{i,t}$ = the amount of income and profits net of the withholding tax rate applicable in the country of domicile of the Index Component_(j') at date t, also equal to
- $$D_{j',t} = q_{j',t}^{Old} \times d_{j',t} \times (1 - WT_{j'})$$
- $q_{j',t}^{Old}$ = the quantity of the Index Component_(j') appearing in the previous composition of the Exane Index at date t
- $q_{j',t}^{New}$ = the quantity of the Index Component_(j') appearing in the new composition of the Exane Index at date t
- $Act_{j',t}$ = the value of the Index Component_(j') after the income and profits are paid on date t
- $d_{j',t}$ = the gross unit income and profits denominated in euros paid by the Index Component_(j') at date t.
- $WT_{j'}$ = the withholding tax rate applicable in the country of domicile of the Index Components_(j') as defined in Appendix Y.

If the Exane Index is calculated with gross income and profits reinvested, $WT_{j'}$ will be equal to zero.

Appendix 2 “Adjustments of the Exane Indices following an Event”

Events means each event as specified here above (including the “Increase in Costs”, for the avoidance of doubt).

General provisions

If several Events occur, the adjustments (if any) to the terms of the Exane Index for the second Event and subsequent Events shall be made to the terms of the Exane Index, as adjusted pursuant to previous Events.

The Index Calculation Agent shall notify the Sponsor, as soon as reasonably practicable in the circumstances, having made adjustments, modifications or cancellation as the case may be, to the terms of the Exane Index in accordance with this Appendix 2.

Increase in Costs

If the Sponsor incurs a materially increased (as compared with the circumstances existing on the Creation Date) amount of tax, duty, expense or fee (other than brokerage commissions) to maintain the rationale or functionality of the Exane Index, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including electing to (a) remove the relevant Index Component, (b) implement Substitution of the relevant Index Component, (c) adjust any relevant terms of the Index Rules or (d) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1. Adjustments of Equity Instruments

The Events applicable to an Equity Instrument are defined as follows and include:

1.1 Potential Adjustment Event

In the case of a Potential Adjustment Event, the Index Calculation Agent shall convene the Technical Committee in order to (each, an **Event Remedy**):

- adjust the new Weighting of Equity Instruments to which the Exane Index henceforth relates or
- permanently cancel the Exane Index if the Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

Potential Adjustment Event means any of the following:

- (1) a subdivision, consolidation or reclassification of relevant Equity Instrument (unless resulting in a Merger Event), or a free distribution or dividend of any such Equity Instrument to existing holders by way of bonus, capitalization or similar issue;
- (2) a distribution, issue or dividend to existing holders of the relevant Equity Instrument of (A) such Equity Instrument, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of such Equity Instruments, or (C) share capital or 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 (cash or other consideration) at less than the prevailing market price as determined by the Index Calculation Agent;

- (3) an extraordinary dividend which characterization of or portion thereof shall be determined by the Index Calculation Agent;
- (4) a call by the Company in respect of relevant Equity Instrument that are not fully paid
- (5) a repurchase by the Company or any of its subsidiaries of relevant Equity Instruments whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (6) in respect of the Company, 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 Index Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any settlement of such rights;
- (7) a distribution of reserves in cash or in listed shares held in the Company's portfolio or a redemption of share capital; or
- (8) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Equity Instruments.

1.2 Cash/Exchange Tender Offer

a. Definitions

Cash/Exchange Tender Offer means any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person (the **Offeror**) 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 % and less than 100 % of the outstanding voting shares of the Company, as determined by the Index Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Index Calculation Agent deems relevant.

Successful Cash/Exchange Tender Offer means a Cash/Exchange Tender Offer the results of which have been published by the relevant Reference Market authorities.

Offer Period means the period from (and including) the date on which the Cash/Exchange Tender Offer is officially announced by the Offeror in whatever manner to the competent supervisory authorities in accordance with applicable laws and regulations in the relevant jurisdiction, up to (but excluding) the date of the Tender Offer Date.

b. Consequences

If an Offer Period commences, the Index Calculation Agent may, having examined its characteristics and relevant practical arrangements, elect (a) to maintain the Equity Instrument or (b) replace it with the share issued by the Offeror.

If the Index Calculation Agent has not made an adjustment during the Offer Period in accordance with the paragraph above and if the Company is the subject of a Successful Cash/Exchange Tender Offer (the **Tender Offer**), the Index Calculation Agent shall convene the Technical Committee in order to elect (each, an **Event Remedy**) to (a) maintain the Equity Instrument, (b) replace the Equity Instrument with New Equity Instrument, (c) implement Substitution of the Equity Instrument or (d) permanently cancel the Exane Index if neither of the Event Remedy specified above in (a), (b) or (c) constitutes suitable remedies for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.3 Merger

a. Definitions

Merger means, in respect of any relevant Equity Instruments, any:

- (i) reclassification or change of such Equity Instruments that results in a transfer of or an irrevocable commitment to transfer all of such Equity Instruments outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange of all of such Equity Instruments outstanding);
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 % of the outstanding Equity Instruments of the Company that results in a transfer of or an irrevocable commitment to transfer all such Equity Instruments (other than such Equity Instruments owned or controlled by such other entity or person);
- (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Equity Instruments outstanding but results in the outstanding Equity Instruments (other than Equity Instruments owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Equity Instruments immediately following such event (a "**Reverse Merger**"),

in each case if the Event Effective Date is on or before, the last occurring Calculation Date.

b. Consequences

In the event that a Merger occurs in respect of an Equity Instrument, the Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy), including electing to (a) replace the Equity Instruments with New Equity Instruments or (b) implement Substitution of the relevant Equity Instrument or (c) permanently cancel the Exane Index if neither of no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.4 Spin-off

In the event of a spin-off of the Company (**Spin-off**), the Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy), including electing to (a) replace the Equity Instruments with New Equity Instruments, (b) implement Substitution of the relevant Equity Instrument or (c) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.5 Nationalisation

a. Definitions

Nationalisation means that all the Equity Instruments or all or substantially all the assets of a Company are nationalized expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof

b. Consequences

The Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy) if Nationalisation occurs in respect of an Equity Instrument, including electing to (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.6 Insolvency

a. Definitions

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company, (A) all the Equity Instruments of that Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Equity Instruments of that Company become legally prohibited from transferring them.

b. Consequences

The Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument in the event of Insolvency or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.7 Change of Listing - compartment or Reference Market

a. Definitions

Change of Listing - compartment or Reference Market means that the Reference Market announces that pursuant to the rules of such Reference Market, the Equity Instruments (A) cease (or will cease) to be listed, traded or publicly quoted on the Reference Market for any reason (other than a Merger or Tender Offer), but are immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Reference Market (or where the Reference Market is within the European Union, in any Member State of the European Union) which is according to the Index Calculation Agent similar to the original Reference Market or (B) cease (or will cease) to be listed, traded or publicly quoted on the original compartment Reference Market for any reason (other than a Merger or Tender Offer), and are immediately re-listed, re-traded or re-quoted on another compartment of the Reference Market.

b. Consequences

In the event of a Change of Listing - compartment or Reference Market in respect of an Equity Instrument, the Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument or (b) permanently

cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.8 Delisting

a. Definitions

Delisting means that the Reference Market announces that pursuant to the rules of such Reference Market, the Equity Instruments cease (or will cease) to be listed, traded or publicly quoted on the Reference Market for any reason (other than a Merger or Tender Offer), and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Reference Market (or where the Reference Market is within the European Union, in any Member State of the European Union).

b. Consequences

If a Delisting occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.9 Correction of Reference Price of Equity Instrument

If a Reference Price of Equity Instrument published on the Reference Market and used by the Index Calculation Agent for the purposes of any calculation (the **Initial Calculation**) is subsequently corrected and if the correction (the **Corrected Value**) is published on the relevant Reference Market within one relevant Settlement Cycle following the Initial Calculation, the Index Calculation Agent shall notify the Corrected Value to the Sponsor as soon as reasonably practicable and shall determine the relevant price of the Equity Instruments (the **New Calculation**) using the Corrected Value.

If the result of the New Calculation is different than the result of the Initial Calculation, the Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy), to the extent that it deems necessary, (a) adjust the Exane Index accordingly or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.10 Change in Law

Change in Law means that, on or after the Creation Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Index Calculation Agent determines in good faith that it will incur a materially increased cost in performing its obligations under the Exane Index (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

The Index Calculation Agent shall convene the Technical Committee if a Change in Law occurs in order to adjust the Exane Index (Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument

or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.11 Insolvency Filing

Insolvency Filing means 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 organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Issuer shall not be deemed an Insolvency Filing.

The Index Calculation Agent shall convene the Technical Committee if a Insolvency Filing occurs in order to adjust the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.12 Additional methods of adjustment for Depository Receipts

a. If the Equity Instrument specified in the applicable Specific Methodology is an Underlying Share (Depository Receipt), the provisions of paragraph (1) above (*Adjustment of Equity Instruments*) shall apply, with references to Equity Instrument being replaced by references to the Underlying Share.

b. If the Deposit Agreement is terminated, the Index Calculation Agent shall convene the Technical Committee in order to adjust the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

1.13 Additional methods of adjustment for ETFs

If the Equity Instrument specified in the applicable Specific Methodology is an ETF unit, the following provisions shall apply.

a. Adjustment of the ETF Underlying Index

The Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if the previous Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee, if (i) the sponsor of the ETF Underlying Index materially amends the formula or method for calculating the ETF Underlying Index or makes any other material modification to the ETF Underlying Index (other than any modification prescribed in such formula or method in order to maintain the ETF Underlying Index in the event of change to any of the shares comprised in the ETF Underlying Index, capitalisation or any other routine event), or (ii) the sponsor of the ETF Underlying Index fails to calculate and publish the ETF Underlying Index and no successor index using, in the opinion of the Index Calculation Agent, a substantially similar formula and calculation method to

that used for calculating the ETF Underlying Index is published, resulting in a material change to the price of the Equity Instrument.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

b. Change in Investment Policy

The Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if the previous Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee, if the ETF Advisor of the Company makes or announces its intention to make a change to the investment objectives, risk profile or other investment guidelines of the Company, in any material respect, or makes any other substantial change to the terms and conditions of the Company, to the extent that the Equity Instruments cease, or are reasonably likely to cease, to replicate the ETF Underlying Index.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

c. Liquidation

The Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) implement Substitution of the relevant Equity Instrument or (b) permanently cancel the Exane Index if the previous Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee, if due to the winding-up or voluntary or judicial liquidation of the ETF Administrator, the Equity Instruments have to be transferred to a manager, trustee, liquidator or other similar official, or the holders of the Equity Instruments are legally prohibited from transferring them.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2. Adjustment applicable to Index Instruments

2.1. Index Instruments (other than Proprietary Index)

The Events applicable to an Index Instrument are defined as follows and include:

2.1.1 Calculation and publication of an Index Instrument by a New Sponsor

If an Index Instrument ceases to be calculated and/or published by the sponsor of such Index Instrument which exists on the Creation Date, but is calculated and/or published by a successor acceptable to the Calculation Agent (the "**New Sponsor**"), the reference level of the Index Instrument shall be determined on the basis of the level of the Index Instrument as calculated and/or published by the New Sponsor.

The name of the New Sponsor and the terms and conditions for the calculation and/or distribution of the Index Instrument shall be published as soon as possible.

2.1.2 Change in the calculation or replacement of an Index Instrument

If, the sponsor or, if applicable, the New Sponsor of an Index Instrument announces that it will make a material change in the formula for or method of calculation that Index Instrument or in any other way materially modified that Index Instrument (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine event), or if the sponsor of such Index Instrument replaces by a successor index using, in the determination of the Index Calculation Agent, the same or substantially similar formula for and method of calculation as used in the calculation of that Index Instrument, then

in each case such new index must be used as the new Index Instrument of the Exane Index, the Index Calculation Agent:

- (a) may use the Index Instrument so calculated or replace the Index Instrument with the new index, as applicable, by multiplying it, if necessary, by a factor that ensures the continuity of the Index Instrument used as the underlying index for the Exane Index; the Index Instrument so calculated or the new index, as applicable, as well as the factor, if necessary, shall be published as soon as possible; or
- (b) shall convene the Technical Committee in order to make adjustments to any other terms of the Exane Index (an Event Remedy), including electing to (a) proceed with Substitution of the affected Index Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee. For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2.1.3 Non-publication or cessation of calculation of an Index Instrument

If, on the Calculation Date or an earlier date, the original sponsor (which exists on the Creation Date) or the New Sponsor fails to publish or definitively stops calculating the Index Instrument without providing a new Index Instrument, or if it is no longer possible to use the Index Instrument normally as the Index Instrument as an Index Component of the Exane Index, the Index Calculation Agent shall convene the Technical Committee in order to make adjustments to any other terms of the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the affected Index Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedies for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2.1.4 Change in Law

Change in Law means that, on or after the Creation Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Index Calculation Agent determines in good faith that it will incur a materially increased cost in performing its obligations under the Exane Index (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

If a Change in Law occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust the other terms of the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Exane Index or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2.2 Additional adjustment for Index Instrument which is a Proprietary Index

2.2.1 Publication of a Substitute Proprietary Index

If a Proprietary Index (i) ceases to be calculated and published by the index calculation agent of such Proprietary Index and/or ceases to be published by the sponsor of such Proprietary Index but is calculated by a replacement index calculation agent (the **Replacement Index Calculation Agent**) acceptable to the Index Calculation Agent and/or is published by a replacement sponsor (the **Replacement Sponsor**) acceptable to the Index Calculation Agent, or (ii) is replaced by a new proprietary index which uses, in the opinion of the Index Calculation Agent, the

same or a substantially similar formula and calculation method as that used to calculate such Proprietary Index then, in each case, such substitute Proprietary Index (the **Substitute Exane Index**) shall be deemed to be the Proprietary Index.

2.2.2 Modification and cessation of calculation of a Proprietary Index

If the sponsor, or if applicable, the Replacement Sponsor of a relevant Proprietary Index, announces that it will make a material change in the formula or method of calculating that Proprietary Index or in any other way materially modified that Proprietary Index (other than any modification prescribed in such formula or method in order to maintain such Proprietary Index in the event of change to any of the index components comprised in the Proprietary Index, their capitalisation or any other routine event) (**Proprietary Index Modification**) or permanently cancels the Proprietary Index and no Substitute Proprietary Index exists (**Proprietary Index Cancellation**), then the Index Calculation Agent shall convene the Technical Committee in order to adjust any other terms of the Proprietary Index (an Event Remedy) by, in particular, (a) calculating the level of such Proprietary Index in accordance with the index rules in force prior to such modification or cancellation, but using only the index components immediately prior to such Proprietary Index Modification or Proprietary Index Cancellation, or (b) proceeding with Substitution of the Proprietary Index or (c) permanently cancelling the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2.2.3 2.2.3 Change of index advisor

The Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) proceed with Substitution of the relevant Proprietary Index or (b) permanently cancel the Exane Index if the previous Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee, if (i) the index advisor of such Proprietary Index ceases to perform its functions and no satisfactory successor, in the opinion of the Index Calculation Agent, has been appointed to replace it within five (5) Exchange Business Days following such event, (ii) there is a change of control of the index advisor or (iii) the index advisor is no longer able, in the opinion of the Index Calculation Agent, to perform its functions with the same care and attention as prior to the Creation Date, in particular due to a legal or regulatory decision or decision of a supervisory authority or is the subject of judicial reorganisation, liquidation or insolvency proceedings or, at any time, ceases to honour its debts or is the subject of a temporary or permanent withdrawal of its licence, or is the subject of disciplinary or administrative proceedings initiated by its supervisory authorities or acts in a fraudulent manner or any other event occurs which, in the opinion of the Index Calculation Agent, has a material adverse effect on the Proprietary Index.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

2.2.4. Change in Law

Change in Law means that, on or after the Creation Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law) (an **Applicable Regulation**), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Index Calculation Agent determines in good faith that it will incur a materially increased cost in performing its obligations under the Index Instrument (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

If a Change in Law occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any other terms of the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Proprietary Index or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3. Adjustment methods applicable to Fund Instruments

The Events applicable to a Fund Instrument are defined as follows and include:

3.1 Potential Adjustment Event

In the case of a Potential Adjustment Event, the Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) adjust the new Weighting of Fund Instrument to which each Exane Index henceforth relates or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

Potential Adjustment Event means any of the following:

- (1). a subdivision, consolidation or reclassification of the relevant number of Fund Instruments, or a free distribution or dividend of any such Fund Instrument to existing holders by way of bonus, capitalization or similar issue;
- (2). a distribution, issue or dividend to existing holders of the relevant Fund Instrument of (A) an additional amount of such Fund Instrument, 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 Instrument, 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 Index Calculation Agent;
- (3). an extraordinary dividend which characterization of or portion thereof shall be determined by Index the Calculation Agent;
- (4). a repurchase by the Fund of relevant Fund Instrument whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Instrument initiated by an investor in such Fund Documents that is consistent with the Fund Documents; or
- (5). any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Instrument.

3.2 Merger

a. Definitions

Merger means, in respect of any relevant Fund Instrument, any:

- (i) reclassification or change of such Fund Instrument that results in a transfer of or an irrevocable commitment to transfer all of such Fund Instrument outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the Fund (or any applicable Fund Service Provider, as the context may require) with or into another entity or person (other than a consolidation, amalgamation, merger or binding fund units exchange of all of such Fund Instrument outstanding);

(iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 % of the outstanding Fund Instrument of the Fund (or any applicable Fund Service Provider, as the context may require) that results in a transfer of or an irrevocable commitment to transfer all such Fund Instruments (other than such Fund Instruments owned or controlled by such other entity or person);

(iv) consolidation, amalgamation, merger or binding share exchange of the Fund (or any applicable Fund Service Provider, as the context may require) or its subsidiaries with or into another entity in which the Fund (or any applicable Fund Service Provider, as the context may require) is the continuing entity and which does not result in a reclassification or change of all such Fund Instruments outstanding but results in the outstanding Fund Instruments (other than Fund Instruments owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Fund Instruments immediately following such event (a "Reverse Merger"),

b. Consequences

In the event that a Merger occurs in respect of a Fund Instrument, the Index Calculation Agent shall convene the Technical Committee in order to adjust the other terms of the Exane Index (an Event Remedy), including electing to (a) replace the Fund Instruments with New Fund Instruments, (b) implement Substitution of the relevant Fund Instrument or (c) permanently cancel the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.3 Spin-off

In the event of a spin-off of the Fund (a **Spin-Off**), the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including electing to (a) replace the Fund Instruments with New Fund Instruments, (b) implement Substitution of the relevant Fund Instrument or (c) permanently cancel the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.4 Nationalization

Nationalization means that all the Fund Instruments or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

In the event of Nationalization, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) electing to implement Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.5 Insolvency

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, (i) all the Fund Instruments of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them.

In the event of Insolvency, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) electing to implement Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.6 Fund Instrument Insolvency Event

A **Fund Instrument Insolvency Event** means, in respect of any Fund Instrument, which the related Fund (or any applicable Fund Service Provider, as the context may require):

(i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);

(ii) makes a general assignment or arrangement with or for the benefit of its creditors;

(iii) (A) 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 organization 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 (B) 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 (A) 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 (15) days of the institution or representation thereof;

(iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(v) has 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 nay such process is not dismissed, discharged, stayed or restrained, in each case, within fifteen (15) days thereafter; or

(vi) cause 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 (v) through (vi) above.

In the event of a Fund Instrument Insolvency Event, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) electing to implement Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.7 Subscription and/or Settlement Suspension

Subscription and/or Settlement Suspension means that settlements and/or subscriptions in the Fund are suspended, postponed, reduced, subject to any threshold or other constraint or partially executed or the Fund is closed to subscriptions and settlements, for any reason, without having obtained the prior written consent of the Index Calculation Agent.

If a Subscription and/or Settlement Suspension occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee. .

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.8 Subscription and/or Settlement Modification

Subscription Settlement Modification means that (a) new subscription and/or settlement costs for a relevant Fund Instrument are introduced, (b) the notice period for Fund Instrument subscriptions and/or settlements is modified without having obtained the prior written consent of the Index Calculation Agent or (c) the Fund modifies the terms and conditions at which subscription and/or settlement orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Creation Date of the Exane Index or implements a modification of the conditions at which subscription and/or settlement 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 Creation Date of the Exane Index.

If a Subscription and/or Settlement Modification occur(s), the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee..

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.9 Fees Modification

Fees Modification means that (i) the Fund applies subscription or settlement fees that are higher than the subscription fees and the redemption fees respectively, as specified in the applicable Fund Documents at the Creation Date or (ii) the Fund applies any other fees (including any transaction fees or administrative costs) which are not specified in the Fund Documents at the Creation Date of the Exane Index.

The Index Calculation Agent may adjust any terms of the Exane Index, including implementing Substitution of the relevant Fund Instrument if a Fees Modification occurs.

3.10 Fund Documents Modification

Fund Documents Modification means any change or modification of the related Fund Documents from those prevailing on the Creation Date of the Exane Index that could reasonably be expected to affect the value of such Fund Instrument 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 Index Calculation Agent.

If a Fund Documents Modifications occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.11 Fund Service Provider Event

Fund Service Provider Event means (a) a change, resignation or termination of any Fund Service Provider and no successor deemed satisfactory in the opinion of the Index Calculation Agent has been appointed within five (5) Exchange Business Days following such event, (b) a change of control or indirect control of the Fund Service Provider, (c) any Fund Service Provider is no longer able in the opinion of the Index Calculation Agent to execute its duties with the same level of care and diligence as at the Creation Date of the Exane Index, in particular as a result of a legal, regulatory or supervisory decision, (d) any Fund Service Provider is subject to a Fund Service Provider Insolvency Event, where “Fund Service Provider Insolvency Event” has the same meaning as a Fund Insolvency Event described above, (e) any Fund Service Provider fails to meet its financial commitments at any time, (f) any Fund Service Provider is subject to temporary or definitive withdrawal of its license or to disciplinary or administrative proceedings from its supervisory authorities or acts fraudulently in relation to the Fund, (g) in the reasonable opinion of the Index Calculation Agent, any Fund Service Provider is no longer deemed able to carry out its business with the standard care which was prevailing on the Creation Date of the Exane Index, (h) the resignation, termination, death or replacement of any key person in the management of the Fund has occurred or (i) any other event which may, in the view of the Index Calculation Agent, have a material adverse effect on the Fund.

If a Fund Service Provider Event occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.12 Net Asset Value Disruption

Net Asset Value Disruption means that (a) the Fund does not determine its Net Asset Value in accordance with its Fund Documents (b) fails to publish its Net Asset Value in accordance with its Fund Documents or (c) fails to carry out any action necessary for such determination or publication.

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument if a Net Asset Value Disruption occurs or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.13 Fund Modification

Fund Modification means (i) any failure by the Fund Adviser to act in accordance with the investment objectives, risk profile or investment guidelines of the Fund, (ii) the imposition by any regulatory body of any restriction limiting the ability of any Fund Service Provider to buy or sell shares or other assets, (iii) any limitation on the ability of any Fund Service Provider to buy or sell shares or other assets, for reasons relating to liquidity, unfavourable market conditions or decrease in the value of the Fund's assets, or (iv) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets, where, in each case, the Index Calculation Agent considers that such situation is unlikely to be remedied within a reasonable time.

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument if a Fund Modification occurs or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.14 Strategy Breach

Strategy Breach means (1) any breach or violation of any strategy or investment guidelines specified in the relevant Fund Documents that is reasonably likely to affect the value of the Fund Instrument or risk profile of the Fund or the rights and remedies of any holders thereof (in each case, as determined by the Index Calculation Agent) (2) or, even where the Fund Documents are not modified, any material modification or effect, as determined by the Index Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Creation Date of the Exane Index or of the performance of the Fund 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, which in each case does not necessarily involve an amendment of the Fund Documents.

If a Strategy Breach occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.15 Decrease of Assets Under Management

Decrease of Assets Under Management means that the Index Calculation Agent determines that during the last twelve (12) month period, the total value of the assets managed by the Management Company or the Fund Adviser (including the Fund) has decreased by fifty per cent (50%) (due to either a settlement or decrease in the value of such assets).

If a Decrease of Assets Under Management occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.16 Regulatory Action

Regulatory Action means, with respect to any Fund Instrument:

- (i) cancellation, suspension or revocation of the registration or approval of the Fund or its Fund Instrument by any governmental, legal or regulatory entity with authority over the Fund or its Fund Instrument;
- (ii) any change in the legal, tax, accounting or regulatory treatments of the Fund or its Fund Service Provider which is likely, in the reasonable opinion of the Index Calculation Agent, to have an adverse impact on the value of such Fund Instrument or on any investor in the relevant Fund; or
- (iii) 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.

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument if a Regulatory Action

occurs or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.17 Breach of Related Contract(s)

Breach of Related Contracts means that the Fund, the Management Company, the Depositary and/or the Fund Service Provider (i) fails to perform or breaches its obligations under any contract relating to the management of the Fund or any other contract relating to such Fund (the **Related Contracts**), (ii) terminate the Related Contract(s) for reasons beyond the control of the Sponsor, (iii) disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such Related Contract(s). The Related Contracts may include, among other, any agreement entered into by the Management Company, the Depositary and/or the Fund Service Provider with the Sponsor.

If a Breach of Related Contract(s) occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.18 Know Your Fund Procedures

Know Your Fund Procedures means that, in the opinion of the Index Calculation Agent, the Fund does not comply, in full or in part, with the "know your fund" procedures (including in particular its obligations in respect of money-laundering and terrorism financing).

If a Know Your Fund Procedures occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instruments or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.19 Change in Law

Change in Law means that, on or after the Creation Date, (A) due to the adoption of, or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxation authority), the Calculation Agent determines in good faith that the Sponsor will incur a materially increased cost in performing its obligations under the Exane Index or the Related Contract(s) (as referred to in section (P) (*Breach of Related Contracts*) above) entered into by the Sponsor with the Fund, the Management Company, the Depositary and/or the Fund Service Provider (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

If a Change in Law occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instruments or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.20 Reporting Disruption

Reporting Disruption means, in respect of any Fund Instrument, (i) occurrence of any event affecting such Fund Instrument that, in the determination of the Index Calculation Agent, would make it impossible or impracticable for the Index Calculation Agent to determine the value of such Fund Instrument, and such event continues for at least the time period specified in the related Specific Methodology or, if no such time period is specified, the foreseeable future; (ii) 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 the Index Calculation Agent, or (B) information that has been previously delivered to the Index Calculation Agent in accordance with such Funds, or its authorised representative's, normal practice and that the Index Calculation Agent deems necessary for it to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Instruments.

If a Reporting Disruption occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Inde (an Event Remedy), including (a) implementing Substitution of the relevant Fund Instrument or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

3.21 Other events

If any other event occurs and in the reasonable opinion of the Index Calculation Agent, affect the value or risk profile of the relevant Fund Instruments, the Index Calculation Agent may adjust any terms of the Exane Index (an Event Exane), including (a) implementing Substitution of the relevant Fund Instrument, or (b) permanently cancelling the Exane Index if no other other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

4. Adjustment methods applicable to Futures Contract Instruments

The Events applicable to a Futures Contract Instrument are defined as follows and include:

4.1 Futures Contract Instruments listed by a third party

If the Futures Contract Instrument is not listed by the Reference Market, but is listed by another person or party (the **Third Party**) who has been nominated by the Reference Market or any other competent market authority, the Reference Market shall be replaced by the Third Party.

The same shall apply if the Third Party ceases to quote the price of the Futures Contract Instrument, but is replaced by another Third Party nominated as provided above.

4.2 Modification of the specific terms, or replacement, of the Futures Contract Instrument

If the Reference Market, the Third Party or the sponsor of the Futures Contract Instrument modifies, in any material respect, the formula or calculation method for the Futures Contract Instrument or makes any other material modification to the Futures Contract Instrument (other than any modification prescribed in such formula or method

in order to maintain the Futures Contract Instrument in the event of a change to the Futures Contract Underlying) or if the Reference Market, any other competent market authority or the sponsor of the Futures Contract Instrument replaces the Futures Contract Instrument with a new futures contract, such new Futures Contract Instrument to be used as the new underlying of the Exane Index, the Index Calculation Agent:

- (a) may replace the Futures Contract Instrument with the modified Futures Contract Instrument or with the new substitute futures contract (as the case may be) multiplying it, if necessary, by a factor that ensures continuity in the evolution of the underlying instrument of the Exane Index. The new or amended Futures Contract Instrument (as the case may be) and, if necessary, the factor, shall be notified to the Sponsor by the Index Calculation Agent as soon as possible; or
- (b) shall convene the Technical Committee in order to make adjustments to any other terms of the Exane Index (an Event Remedy), including electing to (a) proceed with Substitution of the relevant Futures Contract Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee. For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

4.3 Cessation of price quotations for the Futures Contract Instrument

If the Reference Market or Third Party permanently ceases to quote prices for the Futures Contract Instrument and does not provide a new futures contract instrument, the Index Calculation Agent shall convene the Technical Committee in order to make adjustments to any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Futures Contract Instrument (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

4.4 Calculation and publication of the Futures Contract Instrument by a sponsor

If the Futures Contract Instrument (i) is not calculated and published by the sponsor of the Futures Contract Instrument, but is calculated and published by a successor sponsor deemed acceptable by the Index Calculation Agent, or (ii) is replaced by a successor contract which, in the opinion of the Index Calculation Agent, utilises the same, or a substantially similar, formula and calculation method as those used to calculate the Futures Contract Instrument, such contract (the **Successor Futures Contract Instrument**) shall be deemed to be the Futures Contract Instrument, and the Appendix 2 shall be interpreted accordingly.

4.5 Publication of the Reference Price of the Futures Contract Instrument

If the Reference Market, or as the case may be, the sponsor of the Futures Contract Instrument fails to publish the Reference Price of the Futures Contract Instrument, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Futures Contract Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

4.6 Change in Law

Change in Law means that, on or after the Creation Date, (A) due to the adoption of, or any change in any law (including, without limitation, any tax law), rule, regulation, order, regulatory decision, any order of any regulatory or taxation authority or any rule, regulation or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Index Calculation Agent determines in good faith

that it will incur a materially increased cost in performing its obligations under the Exane Index (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

If a Change in Law occurs, the Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including electing to (a) implement Substitution of the relevant Futures Contract Instrument or (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5. Adjustment methods applicable to Debt Security Instruments

5.1 Correction of the Reference Price of a Debt Security Instrument

If the Reference Price of a Debt Security Instrument published by the relevant Reference Market or obtained by the Index Calculation Agent, as the case may be, is corrected to a material extent after the Calculation Date, then the corrected price shall be deemed to be the Reference Price of the Debt Security Instrument applicable on the Calculation Date.

5.2 Merger

In the event that the Company (issuer of the Debt Security Instrument) merges with, or is absorbed by, another issuer company (other than a merger of which the issuer Company is the surviving entity) (the **Merger**), the Index Calculation Agent shall convene the Technical Committee in order to elect (an Event Remedy) to (a) replace the Debt Security Instruments with New Debt Security Instruments, (b) implement Substitution of the relevant Debt Security Instrument or (c) permanently cancel the Exane Index if the Event Remedy specified in (a) or (b) does not constitute suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.3 Spin-off

In the event of a spin-off of the Company (issuer of the Debt Security Instrument) (**Spin-off**), the Index Calculation Agent shall convene the Technical Committee in order to elect (an Event Remedy) to either (a) replace the Debt Security Instruments with New Debt Security Instruments, (b) implement Substitution of the relevant Debt Security Instrument or (c) permanently cancel the Exane Index if the Event Remedy specified in (a) or (b) does not constitute suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.4 Insolvency, Restructuring and Deterioration of the Company

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Debt Security Instrument (b) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee, (i) in the event of a Debt Security Instrument Bankruptcy, (ii) acceleration of the Debt Security Instrument, (iii) restructuring of the Debt Security Instrument, either by a reduction of the initially specified rate or amount of interest payable or accruing, a reduction in the amount of any premium or principal due at maturity or on the initially specified settlement dates, or any postponement of any date or dates on which it is provided (x) that an interest payment is to be made or interest begins to accrue or (y) that a repayment of principal or payment of any premium is to be made, or any lowering of the priority ranking or status of the Debt

Security Instrument, or any change in the monetary unit in which repayments of principal or payments of interest must be made, or in their composition, or (iv) any material deterioration in the financial situation of the Company (issuer of the Debt Security Instrument), in the opinion of the Index Calculation Agent.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.5 Change to the Debt Security Instrument Nominal Value

In the event of a change to the Debt Security Instrument Nominal Value, the Index Calculation Agent shall convene the Technical Committee in order to (an Event Remedy) (a) adjust the new Weighting of Debt Security Instruments to which each Exane Index henceforth relates or (b) permanently cancel the Exane Index if the Event Remedy in (a) does not constitute suitable remedy for such Event, as determined by the Technical Committee.

For this purpose, **Debt Security Instrument Nominal Value** means the nominal value assigned to the Debt Security Instrument.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.6 Cash/Exchange Tender Offer

If an Offer Period commences, the Index Calculation Agent may, having examined its characteristics and relevant practical arrangements, elect (a) to maintain the Debt Security Instrument, (b) replace it with the debt instrument issued by the Offeror or (c) permanently cancel the Exane Index.

If the Index Calculation Agent has not made an adjustment during the Offer Period in accordance with the paragraph below and if the Company is the subject of a successful Cash/Exchange Tender Offer (the **Tender Offer**), the Index Calculation Agent shall convene the Technical Committee in order to elect (an Event Remedy) (a) to maintain the Debt Security Instrument as an Index Component, (b) replace the Debt Security Instrument with the Substitute Debt Security Instrument, (c) implement Substitution of the Debt Security Instrument or (d) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

For the purposes of this section (Cash/Exchange Tender Offer):

Cash/Exchange Tender Offer means any acquisition offer made by one or more legal entities (or if applicable one or more individuals) (the **Offeror**) in respect of one or more Debt Security Instruments giving rights to share capital in the Company(ies) under the relevant national law, and for a fixed price.

Offer Period means the period from (and including) the date on which the Cash/Exchange Tender Offer is officially announced by the Offeror in whatever manner to the competent supervisory authorities in accordance with applicable laws and regulations in the relevant jurisdiction, up to (but excluding) the date of the Cash/Exchange Tender Offer.

5.7 Buy-Back Offer

In the event of a buy-back offer by the Company (issuer of the Debt Security Instruments) (the **Buy-Back Offer**), the Index Calculation Agent shall convene the Technical Committee in order to elect (an Event Remedy):

- (a) to maintain the relevant Debt Security Instrument as an Index Component of the Exane Index, or

- (b) to replace the relevant Debt Security Instrument with the debt instrument issued by the Company, or
- (c) to liquidate the relevant Debt Security Instruments, or
- (d) permanently cancel the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee.

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.8 Financial default

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) proceeding with the Substitution of the relevant Debt Security Instrument or (b) permanently cancelling the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee, (i) if a hypothetical investor in a Debt Security Instrument has not received all or any of the coupons and/or principal on the dates specified in the applicable Debt Security Instrument documentation in force on the Creation Date; or (ii) if an event occurs that may have the same consequences such as a restructuring, insolvency, repudiation or moratorium (**Financial Default**).

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

5.9 Change of law

The Index Calculation Agent shall convene the Technical Committee in order to adjust any terms of the Exane Index (an Event Remedy), including (a) implementing Substitution of the relevant Debt Security Instrument or (b) permanently cancelling the Exane Index if no other Event Remedy constitutes suitable remedy for such Event, as determined by the Technical Committee if, on or after the Creation Date, (A) due to the adoption of, or any change in any law or regulation (including, without limitation, any tax law) or any order, decision of any regulatory or taxation authority, or any regulation, rule or procedure of any stock exchange, or (B) due to the promulgation of, or any change in or new interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxation authority), the Index Calculation Agent determines in good faith that it will incur a materially increased cost in performing its obligations under the Exane Index (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

For each Event Remedy, the decision taken by the Technical Committee will be published as per the paragraph 4 of the Appendix 1.

Appendix X - List of Admissible Markets and Admissible Quote Currencies

Admissible Markets	Admissible Quote Currencies
Athens Stock Exchange	EUR
EURONEXT Brussels (BE)	EUR
EURONEXT Paris (FR)	EUR
EURONEXT Amsterdam (NL)	EUR
EURONEXT Lisbon (PT)	EUR
London Stock Exchange	GBP
Milan Stock Exchange	EUR
OMX - Helsinki Stock Exchange (FI)	EUR
OMX - Copenhagen Stock Exchange (DK)	DKK
OMX - Stockholm Stock Exchange (SE)	SEK
OMX - Reykjavik Stock Exchange (IS)	ISK
Oslo Stock Exchange	NOK
SIBF Stock Exchange	EUR
Virt-x, SWX Swiss Exchange	CHF
Xetra - Vienna Stock Exchange (AT)	EUR
Xetra - German Stock Exchange (DE)	EUR
Xetra - Irish Stock Exchange (IE)	EUR
Nasdaq	USD
NYSE	USD
Tokyo Stock Exchange	YEN

Appendix Y - List of Withholding Tax

The withholding tax rate applicable in the country of domicile (“Withholding Tax”) is the one applied by STOXX © available on the site <http://www.stoxx.com/indices/taxes.html> and detailed in the table below as of the 22 June 2015.

Country	Code	Withholding tax
Argentina	AR	35,00%
Australia	AU	30,00%
Austria	AT	25,00%
Bahamas	BS	0,00%
Bahrain	BH	0,00%
Belgium	BE	25,00%
Bermuda	BM	0,00%
Brazil	BR	0,00%
Bulgaria	BG	5,00%
Canada	CA	25,00%
Cayman Islands	KY	0,00%
Chile	CL	35,00%
China	CN	10,00%
Colombia	CO	33,00%
Croatia	HR	12,00%
Curaçao	CW	0,00%
Cyprus	CY	0,00%
Czech Republic	CZ	35,00%
Denmark	DK	27,00%
Egypt	EG	10,00%
Estonia	EE	0,00%
Finland	FI	30,00%
France	FR	30,00%
Germany	DE	26,38%
Greece	GR	10,00%
Hong Kong	HK	0,00%
Hungary	HU	16,00%
Iceland	IS	20,00%
India	IN	0,00%
Indonesia	ID	20,00%
Ireland	IE	20,00%
Isle of Man	IM	0,00%
Israel	IL	30,00%
Italy	IT	26,00%
Japan	JP	20,315%
Jersey	JE	0,00%
Jordan	JO	0,00%
Kuwait	KW	0,00%
Latvia	LV	10,00%
Liberia	LR	0,00%
Liechtenstein	LI	0,00%
Lithuania	LT	15,00%
Luxembourg	LU	15,00%
Macedonia (FYROM)	MK	10,00%
Malaysia	MY	0,00%
Malta	MT	35,00%
Marshall Islands	MH	0,00%
Mauritius	MU	0,00%
Mexico	MX	10,00%
Morocco	MA	15,00%
Netherlands	NL	15,00%

Country	Code	Withholding tax
New Zealand	NZ	33,00%
Nigeria	NG	10,00%
Norway	NO	25,00%
Oman	OM	0,00%
Pakistan	PK	10,00%
Panama	PA	20,00%
Papua New Guinea	PG	0,00%
Peru	PE	4,10%
Philippines	PH	30,00%
Poland	PL	19,00%
Portugal	PT	28,00%
Qatar	QA	0,00%
Romania	RO	16,00%
Russia	RU	15,00%
Saudi Arabia	SA	5,00%
Serbia	RS	20,00%
Singapore	SG	0,00%
Slovak Republic	SK	0,00%
Slovenia	SI	15,00%
South Africa	ZA	15,00%
South Korea	KR	22,00%
Spain	ES	20,00%
Sri Lanka	LK	10,00%
Sweden	SE	30,00%
Switzerland	CH	35,00%
Taiwan	TW	20,00%
Thailand	TH	10,00%
Tunisia	TN	5,00%
Turkey	TR	15,00%
Ukraine	UA	15,00%
United Arab Emirates	AE	0,00%
United Kingdom	GB	0,00%
USA	US	30,00%
Venezuela	VE	0,00%
Vietnam	VN	0,00%
British Virgin Islands	VG	0,00%

Appendix Z - List of the 17 market makers

BCSB	Barclays
CAED	Crédit Agricole
CG	Citigroup
CS	Crédit Suisse
DB	Deutsche Bank Group
DMG	Deutsche Bank Securities
EXA	Exane
GOLD	Goldman Sachs
JJEY	Jefferies
KNGS	KNG Securities
MS	Morgan Stanley
NMDP	Nomura
ODDO	Oddo
PARS	BNP
RBF1	Royal Bank of Scotland
SGDP	Société Générale
WDRL	UBS

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Active Allocation Convertible Bonds (RI)”

1. Introduction

The “Exane Active Allocation Convertible Bonds (RI)” Index is a performance index based on the “Active Allocation Convertible Bonds List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of convertible bonds.

The “Exane Active Allocation Convertible Bonds (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 06 November 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

On the strength of its expertise, the Research Team builds a list of about twenty five (25) convertible bonds. For this selection, the Research Team must have

a) a positive opinion on technical parameters:

- Good valuation or convexity,
- High yield to maturity,
- Yield advantage close to, or higher than, the positive annualised net premium,
- High return in the event of Mergers and Acquisitions (the existence of clauses in the event of a change of control known as ratchet clauses, with an automatic increase in the conversion ratio, or poison put clauses allowing holders to demand early redemption at par if the ratchet is not profitable enough in case of a tender offer);

b) or a positive opinion on fundamentals of the underlying and/or on the issuer’s credit quality.

The List includes two categories:

The first category comprises of between 10 and 30 convertible bonds (generally about 20), representing the Exane Index allocation target.

The second category comprises of at most 5 convertible bonds, which can be used in decreasing order of liquidity to replace a convertible bond from the first category that is not sufficiently liquid.

Should the nature of a convertible bond be about to change (e.g. in case of an early redemption) such a convertible will be removed from the List.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Debt Security Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will not use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology.

3.4.1. The Index Calculation Agent will use the following formula:

$$\text{Index}(t) = \sum_{i=1}^N q_i * \text{Act}_i(t) * \left\{ 1 - \left(\frac{1\%}{360} \right) \right\}^{n(t)}$$

With:

N = number of Index Components on the Calculation Date *t*

Index(t) = level of the Exane Index on the Calculation Date *t*, expressed in the Base Currency

q_i = quantity of the Index Component(*i*)

Act_i(t) = Reference price of the Index Component(*i*) on the Calculation Date *t*, expressed in Euro

n(t) = number of days between the Creation Date of the Exane Index and the Calculation Date *t*

3.4.2. On each rebalancing the following formula will apply:

$$\sum_1^{Nold} q_{i,t}^{Old} * Act_{i,t}^{Old} * \{1 - (\text{Average Rebalancing Cost} * \text{Rebalancing Rate})\} \\ = \sum_1^{Nnew} q_{i,t}^{New} * Act_{i,t}^{New}$$

With:

Nold = number of Index Components determined at the previous Technical Committee meeting

Nnew = number of Index Components determined at the new Technical Committee meeting

q_{i,t}^{Old} = quantity of the Index Component(i) appearing in the previous composition of the Exane Index

q_{i,t}^{New} = quantity of the Index Component(i) appearing in the new composition of the Exane Index

Act_{i,t}^{Old} = Reference Price of the Index Component(i) appearing in the previous composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

Act_{i,t}^{New} = Reference Price of the Index Component(i) appearing in the new composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

The calculation of the Average Rebalancing Cost and the Rebalancing Rate is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.4.3. The Index Components are equally weighted at each rebalancing

$$q_{i,t}^{New} * Act_{i,t}^{New} * \left\{1 - \left(\frac{1\%}{360}\right)\right\}^{n(t)} = \text{Weight}_t^{New} * \text{Index}(t)$$

Weight_t^{New} being the new weight of each Index Component on the Rebalancing Date

Index(t) being the level of the Exane Index at Rebalancing Date t of the Exane Index, expressed in Euro

3.4.4. Specific mechanism for reinvestments of income and profits of an Index Component

The Index Calculation Agent will use the following calculation formula to reinvest the revenues and proceeds of Index Components (“Revenues”) in the Exane Index:

$$q_{i,t}^{New} = q_{i,t}^{Old} \times \left(1 + \frac{\text{Revenu}_t}{\sum_1^N q_{i,t}^{Old} \times Act_{i,t}}\right)$$

With:

q_{i,t}^{Old} = quantity of Index Component(i) in the old composition of the Exane Index on date t

q_{i,t}^{New} = quantity of Index Component(i) in the new composition of the Exane Index on date t

Act_{i,t} = valuation of Index Component(i) after the payment of revenues at date t

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMAAOC

APPENDIX

The Composition and Weighting of the Index Components on 18 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
OTP / Opus EUR 3.95% 06/16	XS0272723551	3.33
Vedanta 5.5% \$ 09/16	XS0434722087	3.33
Kering / Artemis 3.25% 10/16	FR0010941427	3.33
Aurubis / Salzgitter 2% 10/17 (Put 15)	DE000A1AYDS2	3.33
Immofinanz 4.25% 11/18 (Put 16)	XS0592528870	3.33
British Land 1.50% 12/17	XS0827594762	3.33
Subsea / Siem 1% \$ 12/19 (Put 16)	NO0010657968	3.33
Faurecia 3.25% 12/18	FR0011321363	3.33
Gulf Keystone 6.25% \$ 12/17	XS0841237497	3.33
Premier Oil 2.5% \$ 12/18	XS0849021877	3.33
Deutsche Post 0.6% 12/19	DE000A1R0VM5	3.33
Abengoa 6.25% 13/19	XS0875275819	3.33
OHL / GVM 5.75% 13/18	XS0878451920	3.33
Melia Hotels Intl 4.5% 13/18	XS0909782921	3.33
Alcatel Lucent 4.25% 13/18	FR0011527225	3.33
ORPEA 1.75% 13/20	FR0011534874	3.33
Great Portland 1% 13/18	XS0969485068	3.33
OCI 3.875% 13/18	XS0974154550	3.33
NH Hoteles 4% 13/18	XS0989390249	3.33
Pirelli / Schematrentaquattro 0.25% 13/16	XS0997536411	3.33
Grand City Properties 1.5% 14/19	XS1036325527	3.33
Fresenius 0% 14/19	DE000A1YC3T6	3.33
Leg Immobilien 0.5% 14/21 (Put 19)	DE000LEG1CB5	3.33
SACYR 4% 14/19	XS1063399700	3.33
Marine Harvest EUR 0.875% 14/19	NO0010710395	3.33
Aperam 0.625% \$ 14/21 (put 19)	XS1084287322	3.33
BUWOG / Immofinanz 1.5% 14/19 (Put 17)	XS1108672988	3.33
Playtech 0.5% EUR 14/19	XS1139088402	3.33
Telecom Italia 1.125% 15/22	XS1209185161	3.33
Neopost 3.375% 15/Perp	FR0012799229	3.33

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Active Allocation Financial Bonds (RI)”

1. Introduction

The “Exane Active Allocation Financial Bonds (RI)” Index is a performance index based on the “Active Allocation Financial Bonds List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of bonds.

The “Exane Active Allocation Financial Bonds (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 15 January 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List comprises a selection of approximately twenty bonds issued by banks, insurance companies or specialised lending companies. The bonds can be denominated in EUR or in USD, although the majority will be denominated in EUR. Its performance target is euribor 3m +300bp.

The List is made up of banks and insurance bonds rated positive (+) or stable (=) by the Research Team.

These recommendations factor in fundamental risk analysis, value relative to the various peer groups, and the technical qualities of each bond (checking the prospectus, the various clauses pertaining to cancelling the coupon and possible clauses for absorbing losses).

If subordination is likely to lead to a change in the nature of the financial instrument belonging to the List (for example, through the conversion of a contingent convertible bond), the aforementioned high yield bond will be removed from the List.

The issuers are banks regulated by the CRD4/Basel 3 rules (with underlyings in the form of Tier2, Additional Tier 1, or Tier 1); or insurance companies subject to the Solvency 1 and 2 regulations (with Tier 2 and Tier 1 underlyings). The bonds in the List can be contingent (contingent write-down / contingent convertible, also known as CoCos) or not.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Debt Security Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will not use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology.

3.4.1. The Index Calculation Agent will use the following formula:

$$\text{Index}(t) = \sum_{i=1}^N q_i * \text{Act}_i(t) * \left\{ 1 - \left(\frac{0.20\%}{252} \right) \right\}^{n(t)}$$

With:

N = number of Index Components on the Calculation Date t

Index(t) = level of the Exane Index on the Calculation Date t, expressed in the Base Currency

q_i = quantity of the Index Component(i)

Act_i(t) = Reference price of the Index Component(i) on the Calculation Date t, expressed in Euro

n(t) = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t

3.4.2. On each rebalancing the following formula will apply:

$$\sum_1^{Nold} q_{i,t}^{Old} * Act_{i,t}^{Old} * \{1 - (\text{Average Rebalancing Cost} * \text{Rebalancing Rate})\} \\ = \sum_1^{Nnew} q_{i,t}^{New} * Act_{i,t}^{New}$$

With:

Nold = number of Index Components determined at the previous Technical Committee meeting

Nnew = number of Index Components determined at the new Technical Committee meeting

q_{i,t}^{Old} = quantity of the Index Component(i) appearing in the previous composition of the Exane Index

q_{i,t}^{New} = quantity of the Index Component(i) appearing in the new composition of the Exane Index

Act_{i,t}^{Old} = Reference Price of the Index Component(i) appearing in the previous composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

Act_{i,t}^{New} = Reference Price of the Index Component(i) appearing in the new composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

The calculation of the Average Rebalancing Cost and the Rebalancing Rate is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.4.3. The Index Components are equally weighted at each rebalancing

$$q_{i,t}^{New} * Act_{i,t}^{New} * \left\{1 - \left(\frac{0.20\%}{252}\right)\right\}^{n(t)} = \text{Weight}_t^{New} * \text{Index}(t)$$

Weight_t^{New} being the new weight of each Index Component on the Rebalancing Date

Index(t) being the level of the Exane Index at Rebalancing Date t of the Exane Index, expressed in Euro

3.4.4. Specific mechanism for reinvestments of income and profits of an Index Component

The Index Calculation Agent will use the following calculation formula to reinvest the revenues and proceeds of Index Components (“Revenues”) in the Exane Index:

$$q_{i,t}^{New} = q_{i,t}^{Old} \times \left(1 + \frac{\text{Revenu}_t}{\sum_1^N q_{i,t}^{Old} \times Act_{i,t}}\right)$$

With:

q_{i,t}^{Old} = quantity of Index Component(i) in the old composition of the Exane Index on date t

q_{i,t}^{New} = quantity of Index Component(i) in the new composition of the Exane Index on date t

Act_{i,t} = valuation of Index Component(i) after the payment of revenues at date t

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMAAFB

APPENDIX

The Composition and Weighting of the Index Components on 16 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Oblig Banco Popular 11.5 Perp CoCo	XS0979444402	5.00
Skandinaviska Enskilda Banken AB 5.75% \$ 14/49 (EMTN)	XS1136391643	5.00
Credit Agricole 6.625% \$ 14/49 (REGS)	USF22797YK86	5.00
Oblig Uniqa 6.875 07/2043	XS0808635436	5.00
Groupama 6.375 perp	FR0011896513	5.00
La Mondiale Oblig Perp 5.05 perp	XS1155697243	5.00
Intesa 4.75 perp	XS1156024116	5.00
Lloyds Banking Group 6.375% 14/49	XS1043545059	5.00
oblig SAN 6.25 Perp CoCo	XS1043535092	5.00
ING Groep NV 6% \$ 15/49	US456837AE31	5.00
Erste Group Bank 7.125% 12/22	XS0840062979	5.00
ASR Nederland NV 5% 14/49	XS1115800655	5.00
HSBC Holdings 5.625% \$ 14/49	US404280AR04	5.00
Oblig BAWAG 8.125% - 30/10/2023	XS0987169637	5.00
KBC Groep NV 5.625 Perp CoCo	BE0002463389	5.00
Bank of Ireland 7.375% 15/49	XS1248345461	5.00
UBS Group 7% \$ 15/49	CH0271428333	5.00
Oblig perpet BBVA 7% - 19/02/2019 CoCo	XS1033661866	5.00
UniCredit 6.75% 14/49	XS1107890847	5.00
Nykredit Realkredit A/S 6.25% 15/49	XS1195632911	5.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Active Allocation High Yield Bonds (RI)”

1. Introduction

The “Exane Active Allocation High Yield Bonds (RI)” Index is a performance index based on the “High Yield Corporate List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of high yield bonds.

The “Exane Active Allocation High Yield Bonds (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 20 February 2014.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List comprises a selection of approximately twenty high yield bonds expected to outperform the high yield market. The vast majority of these bonds are denominated in euros. The List comprises of high yield bonds representing the key credit investment themes of the Research Team, notably corporate hybrid bond issues, straight high yield bonds and subordinated financial bonds (insurance and banks).

If subordination is likely to lead to a change in the nature of the financial instrument belonging to the List (for example, through the conversion of a contingent convertible bond), the aforementioned high yield bond will be removed from the List.

The share of financial bonds within the List varies over time but currently stands at around 30%, an increase in line with high yield bond indices in general.

High-yield bonds are selected on the basis of a relative value analysis by the credit analysts of the Research Team for over 10 years, with a bottom-up approach.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Debt Security Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will not use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology.

3.4.1. The Index Calculation Agent will use the following formula:

$$\text{Index}(t) = \sum_{i=1}^N q_i * \text{Act}_i(t) * \left\{ 1 - \left(\frac{0.20\%}{252} \right) \right\}^{n(t)}$$

With:

N = number of Index Components on the Calculation Date t

Index(t) = level of the Exane Index on the Calculation Date t, expressed in the Base Currency

q_i = quantity of the Index Component(i)

Act_i(t) = Reference price of the Index Component(i) on the Calculation Date t, expressed in Euro

n(t) = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t

3.4.2. On each rebalancing the following formula will apply:

$$\sum_1^{Nold} q_{i,t}^{Old} * Act_{i,t}^{Old} * \{1 - (\text{Average Rebalancing Cost} * \text{Rebalancing Rate})\} \\ = \sum_1^{Nnew} q_{i,t}^{New} * Act_{i,t}^{New}$$

With:

Nold = number of Index Components determined at the previous Technical Committee meeting

Nnew = number of Index Components determined at the new Technical Committee meeting

q_{i,t}^{Old} = quantity of the Index Component(i) appearing in the previous composition of the Exane Index

q_{i,t}^{New} = quantity of the Index Component(i) appearing in the new composition of the Exane Index

Act_{i,t}^{Old} = Reference Price of the Index Component(i) appearing in the previous composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

Act_{i,t}^{New} = Reference Price of the Index Component(i) appearing in the new composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro

The calculation of the Average Rebalancing Cost and the Rebalancing Rate is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.4.3. The Index Components are equally weighted at each rebalancing

$$q_{i,t}^{New} * Act_{i,t}^{New} * \left\{1 - \left(\frac{0.20\%}{252}\right)\right\}^{n(t)} = \text{Weight}_t^{New} * \text{Index}(t)$$

Weight_t^{New} being the new weight of each Index Component on the Rebalancing Date

Index(t) being the level of the Exane Index at Rebalancing Date t of the Exane Index, expressed in Euro

3.4.4. Specific mechanism for reinvestments of income and profits of an Index Component

The Index Calculation Agent will use the following calculation formula to reinvest the revenues and proceeds of Index Components (“Revenues”) in the Exane Index:

$$q_{i,t}^{New} = q_{i,t}^{Old} \times \left(1 + \frac{\text{Revenu}_t}{\sum_1^N q_{i,t}^{Old} \times Act_{i,t}}\right)$$

With:

q_{i,t}^{Old} = quantity of Index Component(i) in the old composition of the Exane Index on date t

q_{i,t}^{New} = quantity of Index Component(i) in the new composition of the Exane Index on date t

Act_{i,t} = valuation of Index Component(i) after the payment of revenues at date t

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMAAHY

APPENDIX

The Composition and Weighting of the Index Components on 02 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Ziggo Bond Finance BV 4.625% 15/25 (REGS)	XS1170079443	4.00
Altice 7.25% 14/22 (REGS)	XS1061642317	4.00
Selecta Group BV 6.5% 14/20 (REGS)	XS1078234330	4.00
Volvo Treasury AB 4.85% 14/78	XS1150695192	4.00
Paprec Holding 5.25% 15/22 (REGS)	XS1207101418	4.00
Obligation Wind 7 04/2021	XS1055940206	4.00
Play Topco 7.75% 14/20 (REGS)	XS1028947403	4.00
THOM Europe 7.375% 14/19 (REGS)	XS1087760648	4.00
Oblig SMCP 8.875 06/2020	XS0943327378	4.00
Holdikks SAS 6.75% 14/21 (REGS)	XS1084836441	4.00
Lock AS 7% 14/21 (REGS)	XS1094612378	4.00
IMS Health 4.125% 15/23 (144A)	XS1207382679	4.00
Wienerberger tv 07/49	DE000A0G4X39	4.00
Obrascon Huarte Lain SA 7.625% 12/20 (RegS)	XS0760705631	4.00
Hellenic Telecommunications Or 7.875% 13/18 (EMTN)	XS0885718782	4.00
Oblig TEF 5.875 Perp	XS1050461034	4.00
Auris Luxembourg II 8% 14/23 (rEGS)	XS1153374084	4.00
Oblig Abengoa 6 Mar21	XS1048657800	4.00
Snai 7.625% 13/18 (RegS)	XS0982712449	4.00
Oblig Ceramtec 8.25 08/2021	XS0955817738	4.00
Matterhorn Telecom Holding 4.875% 15/23 (REGS)	XS1219475792	4.00
Europcar Groupe 5.75% 15/22 (REGS)	XS1241053666	4.00
Oblig Altice 9% 14/23	XS0946155693	4.00
Monitchem HoldCo 2 6.875% 14/22 (REGS)	XS1074935492	4.00
Picard Bondco 7.75% 15/20 (REGS)	XS1117298833	4.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Active Allocation M&A Credit (RI)”

1. Introduction

The “Exane Active Allocation M&A Credit (RI)” Index is a performance index based on the “Active Allocation M&A Credit List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of bonds and convertible bonds.

The “Exane Active Allocation M&A Credit (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 15 May 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List comprises a selection of at least 15 distinct bonds and convertible bonds (the « Bonds »). The Bonds are selected according to the positive opinion of the Research Team on their expected return in case of mergers and acquisitions operations on issuers or underlyings, or even due to expected market movements following mergers and acquisitions operations.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Debt Security Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will not use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology.

3.4.1. The Index Calculation Agent will use the following formula:

$$\text{Index}(t) = \sum_{i=1}^N q_i * \text{Act}_i(t) * \left\{ 1 - \left(\frac{0.20\%}{252} \right) \right\}^{n(t)}$$

With:

N = number of Index Components on the Calculation Date t

Index(t) = level of the Exane Index on the Calculation Date t, expressed in the Base Currency

q_i = quantity of the Index Component(i)

Act_i(t) = Reference price of the Index Component(i) on the Calculation Date t, expressed in Euro

n(t) = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t

3.4.2. On each rebalancing the following formula will apply:

$$\begin{aligned} & \sum_{i=1}^{Nold} q_{i,t}^{Old} * \text{Act}_{i,t}^{Old} * \{ 1 - (\text{Average Rebalancing Cost} * \text{Rebalancing Rate}) \} \\ &= \sum_{i=1}^{Nnew} q_{i,t}^{New} * \text{Act}_{i,t}^{New} \end{aligned}$$

With:

Nold = number of Index Components determined at the previous Technical Committee meeting

Nnew = number of Index Components determined at the new Technical Committee meeting

$q_{i,t}^{Old}$ = quantity of the Index Component(i) appearing in the previous composition of the Exane Index
 $q_{i,t}^{New}$ = quantity of the Index Component(i) appearing in the new composition of the Exane Index
 $Act_{i,t}^{Old}$ = Reference Price of the Index Component(i) appearing in the previous composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro
 $Act_{i,t}^{New}$ = Reference Price of the Index Component(i) appearing in the new composition of the Exane Index on the Rebalancing Date(t) of the Exane Index, expressed in Euro
 The calculation of the Average Rebalancing Cost and the Rebalancing Rate is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.4.3. The Index Components are equally weighted at each rebalancing

$$q_{i,t}^{New} * Act_{i,t}^{New} * \left\{ 1 - \left(\frac{0.20\%}{252} \right) \right\}^{n(t)} = Weight_t^{New} * Index(t)$$

$Weight_t^{New}$ being the new weight of each Index Component on the Rebalancing Date
 $Index(t)$ being the level of the Exane Index at Rebalancing Date t of the Exane Index, expressed in Euro

3.4.4. Specific mechanism for reinvestments of income and profits of an Index Component

The Index Calculation Agent will use the following calculation formula to reinvest the revenues and proceeds of Index Components (“Revenues”) in the Exane Index:

$$q_{i,t}^{New} = q_{i,t}^{Old} \times \left(1 + \frac{Revenu_t}{\sum_1^N q_{i,t}^{Old} \times Act_{i,t}} \right)$$

With:

$q_{i,t}^{Old}$ = quantity of Index Component(i) in the old composition of the Exane Index on date t
 $q_{i,t}^{New}$ = quantity of Index Component(i) in the new composition of the Exane Index on date t
 $Act_{i,t}$ = valuation of Index Component(i) after the payment of revenues at date t

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.
 The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index

Bloomberg Code	EXDMAAMA

APPENDIX

The Composition and Weighting of the Index Components on 15 May 2015, the Creation Date:

Name	ISIN Code	Weighting (in %)
British Land 1.50% 12/17	XS0827594762	5.00
Financiere Quick tv 14/19 (REGs) (2)	XS1054086928	5.00
Playtech 0.5% EUR 14/19	XS1139088402	5.00
Great Portland 1% 13/18	XS0969485068	5.00
Eramet 4.5% 13/20	FR0011615699	5.00
Paprec Holding 5.25% 15/22 (REGS)	XS1207101418	5.00
Auris Luxembourg II 8% 14/23 (rEGS)	XS1153374084	5.00
NH Hoteles 4% 13/18	XS0989390249	5.00
Telenet Finance V Luxembourg S 6.75% 12/24 (144A)	XS0783935132	5.00
Europcar International SASU 5.125% 14/21 (REGS)	XS1028950704	5.00
BUWOG / Immofinanz 1.5% 14/19 (Put 17)	XS1108672988	5.00
Faurecia 3.25% 12/18	FR0011321363	5.00
Premier Oil 2.5% \$ 12/18	XS0849021877	5.00
Alcatel Lucent 4.25% 13/18	FR0011527225	5.00
Immofinanz 4.25% 11/18 (Put 16)	XS0592528870	5.00
Play Topco 7.75% 14/20 (REGS)	XS1028947403	5.00
Grand City Properties 1.5% 14/19	XS1036325527	5.00
Oblig BAWAG 8.125% - 30/10/2023	XS0987169637	5.00
Leg Immobilien 0.5% 14/21 (Put 19)	DE000LEG1CB5	5.00
Monitchem HoldCo 2 6.875% 14/22 (REGS)	XS1074935492	5.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Deep Value” “Exane Deep Value (RI)”

1. Introduction

The “Exane Deep Value” and “Exane Deep Value (RI)” Indices are performance indices based on the “Deep Value - Recovery List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Deep Value” Index, income and profits are not reinvested.

The “Exane Deep Value (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Deep Value” Index will also apply to the “Exane Deep Value (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 13 September 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- This is a list of companies trading on very low valuations that have the potential for a strong recovery in either sales and/or margins over time.
- The Research Team uses EVsales/Ebit margin, EV/Ebitda and P/E as the main valuation screens.
- The Research Team also selects companies with low levels of debt and strong Free Cash Flow to avoid balance sheet and funding risks.
- After screening for these elements, it looks on a bottom up basis at the potential for a medium term improvement in the underlying businesses.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMRECV	EXDMRECR

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Koninklijke DSM	NL0000009827	6.25
Inchcape	GB00B61TVQ02	6.25
Fiat Chrysler Automobiles NV	NL0010877643	6.25
Technip	FR0000131708	6.25
Deutsche Telekom	DE0005557508	6.25
Michelin B	FR0000121261	6.25
Atos Origin	FR0000051732	6.25
TOMTOM	NL0000387058	6.25
Zurich Financial	CH0011075394	6.25
Rio Tinto	GB0007188757	6.25
Bca Pop Milano	IT0000064482	6.25
Daimler	DE0007100000	6.25
STMicroelectronics	NL0000226223	6.25
Volkswagen Pref	DE0007664039	6.25
Royal Dutch Shell A Amsterdam	GB00B03MLX29	6.25
Ericsson B	SE0000108656	6.25

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Dividend Growers” “Exane Dividend Growers (RI)”

1. Introduction

The “Exane Dividend Growers” and “Exane Dividend Growers (RI)” Indices are performance indices based on the “Dividend Growers List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Dividend Growers” Index, income and profits are not reinvested.

The “Exane Dividend Growers (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Dividend Growers” Index will also apply to the “Exane Dividend Growers (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 26 September 2011.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- This list represents a selection of large capitalisation European companies that have increased their dividend every year for the past 10 years.
- Given the poor outlook for economic growth, particularly in Europe, and therefore for capital gains from equities, The Research team believes that dividend yield and more particularly dividend growth will become much more important criteria in stock selection than they have been in the past.
- Companies' attitudes to their dividends vary widely across Europe. In an effort to identify those companies that regard the dividend as an absolute priority, the Research Team screens for those that were able and willing to increase their dividend in each of the past 10 years, including the deep recession of 2008/9.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMDIVG	EXDMDIVR

APPENDIX

The Composition and Weighting of the Index Components on 04 March 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Zurich Financial	CH0011075394	7.69
Terna	IT0003242622	7.69
Icade	FR0000035081	7.69
Klépierre	FR0000121964	7.69
Novartis R	CH0012005267	7.69
PSP Swiss Property	CH0018294154	7.69
deutsche annington	DE000A1ML7J1	7.69
Imperial Tobacco	GB0004544929	7.69
Prosieben Sat1 media	DE000PSM7770	7.69
Pearson	GB0006776081	7.69
Snam SpA (Italie)	IT0003153415	7.69
Next PLC	GB0032089863	7.69
Wolters Kluwer	NL0000395903	7.69

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Emerging Consumer” “Exane Emerging Consumer (RI)”

1. Introduction

The “Exane Emerging Consumer” and “Exane Emerging Consumer (RI)” Indices are performance indices based on the “Emerging Consumer List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Emerging Consumer” Index, income and profits are not reinvested.

The “Exane Emerging Consumer (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Emerging Consumer” Index will also apply to the “Exane Emerging Consumer (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 24 November 2009.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- This list is designed to gain exposure to the dynamic trends in consumer expenditure that the Research Team expects in emerging markets over the next five to ten years.
- The Research Team selects around 15 stocks where it considers that emerging market consumer exposure is already a significant driver of earnings and valuation or will become so in the next 12 months. Only stocks where the analyst has an Outperform rating will be considered for inclusion.
- The Research Team believes that there are some considerable advantages to investing in emerging markets via quoted European companies versus a strategy of direct investment into equities quoted on emerging exchanges. These include lower valuation, higher dividend yields, more transparent accounting practices, better corporate governance, higher liquidity and lower volatility of returns.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMIEC	EXDMIECR

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Millicom International Cellular SA (Suede)	SE0001174970	8.33
LVMH	FR0000121014	8.33
Pernod-Ricard	FR0000120693	8.33
SEB	FR0000121709	8.33
Inchcape	GB00B61TVQ02	8.33
Sabmiller	GB0004835483	8.33
Dufry	CH0023405456	8.33
L'Oréal	FR0000120321	8.33
Unilever Cert	NL0000009355	8.33
British American Tobacco	GB0002875804	8.33
Bollore	FR0000039299	8.33
Inditex	ES0148396007	8.33

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Emerging Debt (RI)”

1. Introduction

The “Exane Emerging Debt (RI)” Index is a performance index based on the “Emerging Debt List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted scenarii.

The “Exane Emerging Debt (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 28 September 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

It involves dynamic allocation to cash and the main segments of emerging debt, i.e. sovereign debt in USD, sovereign debt in local currency and corporate debt. The List can therefore include four categories for the four segments, each with a specific percentage (the sum of which is 100%).

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity, Fund and Index Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List and the rules of the Index Quantitative Methodology; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will apply to the Exane Index.

4. List of Technical Committee members

Members	Substitute Members	Function
André-Georges Amadieu	Emmanuel Goudouneix	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMEMDT

APPENDIX

The Composition and Weighting of the Index Components on 18 May 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Ashmore SICAV - Emerging Markets Sovereign Debt Fund	LU0493843949	21.88
Legg Mason Global Funds PLC - Western Asset Emerging Markets	IE00B4LDMV03	11.67
PIMCO Funds Global Investors Series PLC - Emerging Markets C	IE00B1FHFN09	21.25
MAINFIRST - EMMK COR BD BA	LU0816909955	11.67
Morgan Stanley Investment Funds Emerging Markets Debt Fund	LU0057132697	21.88
Ashmore SICAV - Emerging Markets Corporate Debt Fund	LU0860715415	11.67

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Emerging Market” “Exane Emerging Market (RI)”

1. Introduction

The “Exane Emerging Market” and “Exane Emerging Market (RI)” Indices are performance indices based on the “Emerging Market List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted countries.

Within the “Exane Emerging Market” Index, income and profits are not reinvested.

The “Exane Emerging Market (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Emerging Market” Index will also apply to the “Exane Emerging Market (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Index was created on 31 August 2004.

The Exane RI Index was created on 23 October 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

It includes sovereign countries, to which a percentage is ascribed (the sum of which is 100%).

The List proposes dynamic exposure to a selection of emerging markets of the MSCI EM index.

The List may occasionally and temporarily include, in lieu of one or more countries, the emerging markets tracker available on Bloomberg EEM US, or cash (USD).

The List is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List and the rules of the Index Quantitative Methodology; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMIEM	EXDMIEMR

APPENDIX

The Composition and Weighting of the Index Components on 08 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
iShares MSCI Emerging Markets (US)	US4642872349	10.00
iShares MSCI South Korea Capped Index Fund USD	US4642867729	20.00
iShares FTSE China 25 Index Fund (PO Action)	US4642871846	20.00
iShares MSCI-Taiwan SJ	US4642867315	20.00
iShares MSCI Philippines Investable Market Index Fund	US46429B4086	20.00
iShares MSCI Chile Capped Investable Market Index Fund	US4642866408	10.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane European Active”

1. Introduction

The “Exane European Active” Index is a performance index based on the “European Active List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted Proprietary Indices.

Within the “Exane European Active” Index, income and profits are not reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 23 September 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

On the strength of its expertise, the Research Team builds an allocation on the Proprietary Indices exclusively composed of European equities replicating the European equities recommended lists created by the Exane BNP Paribas Research. This allocation is defined by the Research Team, alongside the Equity Strategists and those in charge of the recommended European equities lists created by Exane BNP Paribas.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Index Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.25% between the Creation Date of the Exane Index and June 19, 2015 (inclusive) and 0.20% thereafter.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMEUAI

APPENDIX

The Composition and Weighting of the Index Components on 08 April 2015, the last Rebalancing Date:

Name	Bloomberg Code	Weighting (in%)
Exane M&A (RI)	EXDMMARI	23.00
Exane Dividend Growers (RI)	EXDMDIVR	18.00
Exane Deep Value (RI)	EXDMRECR	28.00
Exane Emerging Consumer (RI)	EXDMIECR	23.00
Exane Key Ideas (RI)	EXDMIKIR	8.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Key Ideas” “Exane Key Ideas (RI)”

1. Introduction

The “Exane Key Ideas” and “Exane Key Ideas (RI)” Indices are performance indices based on the “Key Ideas List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Key Ideas” Index, income and profits are not reinvested.
The “Exane Key Ideas (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Key Ideas” Index will also apply to the “Exane Key Ideas (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 08 July 2005.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- The Research Team selects a list of 10 to 15 stocks in which it has a high degree of confidence from a long-term investment perspective.
- Provide analysts with a framework in which they can think strategically about their sector over the long term.

The long-term view of the List is:

- At least 20% upside to the target price at the point of entry.
- Emphasis on one or more sustainable competitive advantages.
- Identification of growth drivers for earnings that the market is not aware of, has misunderstood or has underestimated.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMIKI	EXDMIKIR

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Associated British Foods	GB0006731235	8.33
Roche Holding AG	CH0012032048	8.33
Imperial Tobacco	GB0004544929	8.33
Smith & Nephew	GB0009223206	8.33
Fresenius SE & Co KGaA (ALL)	DE0005785604	8.33
Zodiac	FR0000125684	8.33
Inchcape	GB00B61TVQ02	8.33
Eutelsat Communications	FR0010221234	8.33
ARM	GB0000595859	8.33
Amadeus IT Holding SA	ES0109067019	8.33
Henkel pref	DE0006048432	8.33
Aéroports de Paris	FR0010340141	8.33

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane M&A” “Exane M&A (RI)”

1. Introduction

The “Exane M&A” and “Exane M&A (RI)” Indices are performance indices based on the “M&A List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane M&A” Index, income and profits are not reinvested.
The “Exane M&A (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane M&A” Index will also apply to the “Exane M&A (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 18 October 2005.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- The Research Team selects 15-25 potential take-over targets in a 12-18-month timeframe.
- It provides a list to play the M&A theme in Europe by using a purely research-driven method.
- The constituents of the list are chosen in coordination with sector analysts.
- The list may include stocks on which we have a fundamental underperform rating or that are not rated.
- The Research Team tries to exclude stocks which have poor liquidity but it does not impose any formal constraint in terms of market capitalisation.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMIMA	EXDMMARI

APPENDIX

The Composition and Weighting of the Index Components on 06 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Bouygues	FR0000120503	5.56
Italcementi	IT0001465159	5.56
Smith & Nephew	GB0009223206	5.56
Hammerson	GB0004065016	5.56
Bca Pop Milano	IT0000064482	5.56
Legrand	FR0010307819	5.56
AstraZeneca	GB0009895292	5.56
Bca Pop Emilia Romagna	IT0000066123	5.56
Actelion	CH0010532478	5.56
Shire plc (UK)	JE00B2QKY057	5.56
LEG Immobilien AG	DE000LEG1110	5.56
Telecom Italia	IT0003497168	5.56
Criteo SA ADR	US2267181046	5.56
Vodafone	GB00BH4HKS39	5.56
Sabmiller	GB0004835483	5.56
AVEVA GROUP PLC	GB00BBG9VN75	5.56
Temenos Group	CH0012453913	5.56
ITV PLC	GB0033986497	5.56

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane M&A Core (RI)”

1. Introduction

The “Exane M&A Core (RI)” Index is a performance index based on the “M&A List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

The “Exane M&A Core (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 11 July 2014.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- The Research Team selects 15-25 potential take-over targets in a 12-18-month timeframe.
- It provides a list to play the M&A theme in Europe by using a purely research-driven method.
- The constituents of the list are chosen in coordination with sector analysts.
- The list may include stocks on which we have a fundamental underperform rating or that are not rated.
- The Research Team tries to exclude stocks which have poor liquidity but it does not impose any formal constraint in terms of market capitalisation.
- The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component must have a liquidity at least equal to 10% of the average liquidity of all stocks in the List on the admissible regulated market.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will apply to the Exane Index.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMACO

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Smith & Nephew	GB0009223206	5.88
AstraZeneca	GB0009895292	5.88
Bca Pop Milano	IT0000064482	5.88
Bouygues	FR0000120503	5.88
Hammerson	GB0004065016	5.88
Italcementi	IT0001465159	5.88
Actelion	CH0010532478	5.88
LEG Immobilien AG	DE000LEG1110	5.88
Telecom Italia	IT0003497168	5.88
ITV PLC	GB0033986497	5.88
Criteo SA ADR	US2267181046	5.88
Legrand	FR0010307819	5.88
Vodafone	GB00BH4HKS39	5.88
Sabmiller	GB0004835483	5.88
Shire plc (UK)	JE00B2QKY057	5.88
Bca Pop Emilia Romagna	IT0000066123	5.88
Temenos Group	CH0012453913	5.88

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Master Small Caps” “Exane Master Small Caps (RI)”

1. Introduction

The “Exane Master Small Caps” and “Exane Master Small Caps (RI)” Indices are performance indices based on the reunion of the lists “Tactical Mid Caps” and “Strategic Mid caps” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Master Small Caps” Index, income and profits are not reinvested.

The “Exane Master Small Caps (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Master Small Caps” Index will also apply to the “Exane Master Small Caps (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 02 September 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- The Strategic Mid Caps list includes the Research Team's strongest convictions among sustainable growth stocks within their SMC universe. The selection is made of attractively valued, quality growth stories that screen well on stringent quantitative and qualitative criteria (e.g., solid competitive advantages, prospect of high growth and returns, strong cash generation and healthy balance sheet, good management).
- The Tactical Mid Caps list comprises of the Research Team's strongest convictions on momentum-driven stocks within their SMC universe. They all have a strong risk/reward profile and offer the possibility a shareholder return of at least 15-20% over 12 months.
- Both are actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMMSCN	EXDMMSCA

APPENDIX

The Composition and Weighting of the Index Components on 22 May 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
TF1	FR0000054900	3.03
ELRINGKLINGER AG	DE0007856023	3.03
Tecnicas Reunidas	ES0178165017	3.03
Montupet	FR0000037046	3.03
D Ieteren	BE0974259880	3.03
Econocom Group	BE0974266950	3.03
CTS Eventim AG \& Co KGaA	DE0005470306	3.03
Sogefi	IT0000076536	3.03
Logitech International	CH0025751329	3.03
Indra Sistemas	ES0118594417	3.03
Saft	FR0010208165	3.03
Worldline SA	FR0011981968	3.03
Elis SA	FR0012435121	3.03
Neopost	FR0000120560	3.03
Euler Hermes Group	FR0004254035	3.03
JC Decaux	FR0000077919	3.03
Playtech Plc	IM00B7S9G985	3.03
Inchcape	GB00B61TVQ02	3.03
Teleperformance	FR0000051807	3.03
Solocal Group	FR0010096354	3.03
UBISOFT	FR0000054470	3.03
Naturex	FR0000054694	3.03
GameLoft SE	FR0000079600	3.03
Piaggio	IT0003073266	3.03
SAF-Holland SA	LU0307018795	3.03
Rightmove PLC	GB00B2987V85	3.03
EIFFAGE	FR0000130452	3.03
Bolloré	FR0000039299	3.03
Salini Impregilo	IT0003865570	3.03
Sorin	IT0003544431	3.03
Nexity	FR0010112524	3.03
Korian-Medica	FR0010386334	3.03
Sports Direct International PLC	GB00B1QH8P22	3.03

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Multi Asset Class (RI)”

1. Introduction

The “Exane Multi Asset Class (RI)” Index is a performance index based on the “EMAC List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of (possibly negatively) weighted assets, updated on a quarterly basis (at least).

The “Exane Multi Asset Class (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 23 April 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

It involves dynamic exposure to allocation to various asset classes (listed below) and various regions:

- equities
- non-sovereign bonds
- sovereign bonds
- money market assets in the form of Index Instruments (including borrowed positions, with negative weights)

The List is revised at least once quarterly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity, Fund and Index Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List and the rules of the Quantitative Methodology Appendix to the Exane Index; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to $0.90\% \times (-1) \times$ the sum of negative weights of the Index Instruments representing monetary assets (borrowed).
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
André-Georges Amadiou	Emmanuel Goudouneix	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMEMAC

APPENDIX

The Composition and Weighting of the Index Components on 09 March 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	-20.00
Lyxor ETF DJ Euro Stoxx 50 (Fds SJ)	FR0007054358	20.00
Lyxor ETF EuroMTS Highest Rated Macro-Weighted Govt Bond	FR0010820258	5.00
Fed Fund Total Return	DBDUFD	30.00
iShares JPMorgan USD Emerging Markets Bond Fund	US4642882819	5.00
iShares iShares EURO Corporate Bond (Xetra)	DE0002511243	5.00
iShares Markit iBoxx Euro High Yield	IE00B66F4759	15.00
iShares Core FTSE 100 UCITS ET (London)	IE0005042456	2.50
SPDR S&P 500 ETF Trust	US78462F1030	20.00
iShares Italy Government Bond UCITS ETF	IE00B7LW6Y90	15.00
iShares MSCI Emerging Markets (US)	US4642872349	5.00
JPY Overnight (JJ) Mid (action)	DBDCJPON	-5.00
Nomura ETF - Nikkei 225 Exchange Traded Fund	JP3027650005	2.50

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Nemo” “Exane Nemo (RI)”

1. Introduction

The “Exane Nemo” and “Exane Nemo (RI)” Indices are performance indices based on the “Nemo List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted countries, updated on a monthly basis.

Within the “Exane Nemo” Index, income and profits are not reinvested.

The “Exane Nemo (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Nemo” Index will also apply to the “Exane Nemo (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 31 October 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List is made up of sovereign countries associated with a percentage (the sum of which is 100%).

This list provides a selection of emerging countries included in the MSCI Emerging Markets index and the MSCI Frontier Markets index.

These countries, complementary to the BRIC countries (Brazil, Russia, India and China) and the more advanced developing countries (Taiwan, Korea) are undergoing an economic, political, institutional and financial rerating.

The List may occasionally and temporarily include in lieu of one or more countries, the tracker of emerging markets available on Bloomberg EEM US, or cash (USD).

The List is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List and the rules of the Index Quantitative Methodology; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMNEMO	EXDMNMOR

APPENDIX

The Composition and Weighting of the Index Components on 05 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
iShares MSCI Emerging Markets (US)	US4642872349	10.00
iShares MSCI Philippines Investable Market Index Fund	US46429B4086	20.00
iShares MSCI Thailand Capped Index Fund	US4642866242	10.00
iShares MSCI Poland Capped Investable Market Index Fund	US46429B6065	5.00
iSHARES MSCI Indonesia Investable Market Index Fund	US46429B3096	10.00
iShares MSCI Chile Capped Investable Market Index Fund	US4642866408	15.00
iShares MSCI All Peru Capped Index Fund	US4642898427	10.00
Global X MSCI Colombia ETF	US37950E2000	5.00
iShares MSCI Frontier 100 ETF	US4642861458	10.00
Cash USD		5.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Nemo Core” “Exane Nemo Core (RI)”

1. Introduction

The “Exane Nemo Core” and “Exane Nemo Core (RI)” Indices are performance indices based on the “Nemo Core List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted countries, updated on a monthly basis.

Within the “Exane Nemo Core” Index, income and profits are not reinvested.

The “Exane Nemo Core (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Nemo Core” Index will also apply to the “Exane Nemo Core (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 23 October 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List is made up of sovereign countries associated with a percentage (the sum of which is 100%).

This list provides a selection of emerging countries included in the MSCI Emerging Markets index and the MSCI Frontier Markets index.

These countries, complementary to the BRIC countries (Brazil, Russia, India and China) and the more advanced developing countries (Taiwan, Korea) are undergoing an economic, political, institutional and financial rerating.

The List may occasionally and temporarily include in lieu of one or more countries, the tracker of emerging markets available on Bloomberg EEM US, or cash (USD).

The List is updated on a quarterly basis on 15 November, 15 February, 15 May and 15 August (or the following trading day).

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List and the rules of the Quantitative Methodology Appendix to the Exane Index; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the “Exane RI Index”.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMNEMC	EXDMNMCR

APPENDIX

The Composition and Weighting of the Index Components on 19 May 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
iShares MSCI Poland Capped Investable Market Index Fund	US46429B6065	10.00
iShares MSCI Philippines Investable Market Index Fund	US46429B4086	20.00
iShares MSCI Frontier 100 ETF	US4642861458	20.00
iShares MSCI Chile Capped Investable Market Index Fund	US4642866408	20.00
iShares MSCI All Peru Capped Index Fund	US4642898427	10.00
iSHARES MSCI Indonesia Investable Market Index Fund	US46429B3096	20.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe” “Exane Q-Rate 15 Europe (RI)” “Exane Q-Rate 15 Europe (RB)”

1. Introduction

The “Exane Q-Rate 15 Europe”, “Exane Q-Rate 15 Europe (RI)”, and “Exane Q-Rate 15 Europe (RB)” Indices are performance indices based on the “Qrate 15 Europe List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate 15 Europe” Index, income and profits are not reinvested.

The “Exane Q-Rate 15 Europe (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate 15 Europe (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate 15 Europe” Index will also apply to the “Exane Q-Rate 15 Europe (RI)” and “Exane Q-Rate 15 Europe (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 16 March 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top 5% of the MSCI Europe ex. financials.
- It is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMQMAT	EXDMQMAR	EXDMQMEB

APPENDIX

The Composition and Weighting of the Index Components on 19 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Infineon	DE0006231004	5.88
Ashtead Group	GB0000536739	5.88
Ryanair	IE00B1GKF381	5.88
Persimmon	GB0006825383	5.88
RTL Group SA	LU0061462528	5.88
Babcock International	GB0009697037	5.88
ITV PLC	GB0033986497	5.88
Terna	IT0003242622	5.88
Daimler	DE0007100000	5.88
Groupe Eurotunnel	FR0010533075	5.88
Sodexo	FR0000121220	5.88
Barratt Developments	GB0000811801	5.88
Lagardere	FR0000130213	5.88
Fraport	DE0005773303	5.88
Taylor Wimpey	GB0008782301	5.88
National Grid	GB00B08SNH34	5.88
ICA Gruppen AB	SE0000652216	5.88

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Low Risk Europe” “Exane Q-Rate 15 Low Risk Europe (RI)” “Exane Q-Rate 15 Low Risk Europe (RB)”

1. Introduction

The “Exane Q-Rate 15 Low Risk Europe”, “Exane Q-Rate 15 Low Risk Europe (RI)”, and “Exane Q-Rate 15 Low Risk Europe (RB)” Indices are performance indices based on the “Qrate 15 Low Risk Europe List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate 15 Low Risk Europe” Index, income and profits are not reinvested.

The “Exane Q-Rate 15 Low Risk Europe (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate 15 Low Risk Europe (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate 15 Low Risk Europe” Index will also apply to the “Exane Q-Rate 15 Low Risk Europe (RI)” and “Exane Q-Rate 15 Low Risk Europe (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 16 March 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate Low Risk aims to identify the stocks offering a "low risk" profile with an attractive profile in terms of valuation, earnings growth and earnings momentum.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top 5% of the MSCI Europe ex. financials.
- It is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMQMLT	EXDMQMLR	EXDMQMLB

APPENDIX

The Composition and Weighting of the Index Components on 17 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Persimmon	GB0006825383	5.88
Babcock International	GB0009697037	5.88
ICA Gruppen AB	SE0000652216	5.88
Colruyt	BE0974256852	5.88
Sodexo	FR0000121220	5.88
Next PLC	GB0032089863	5.88
Iberdrola	ES0144580Y14	5.88
National Grid	GB00B08SNH34	5.88
ITV PLC	GB0033986497	5.88
Terna	IT0003242622	5.88
RTL Group SA	LU0061462528	5.88
Gas Natural SDG	ES0116870314	5.88
Barratt Developments	GB0000811801	5.88
Enagas	ES0130960018	5.88
Taylor Wimpey	GB0008782301	5.88
Red Electrica	ES0173093115	5.88
Coloplast B	DK0060448595	5.88

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Europe” “Exane Q-Rate Europe (RI)” “Exane Q-Rate Europe (RB)” “Exane Q-Rate Europe (D)”

1. Introduction

The “Exane Q-Rate Europe”, “Exane Q-Rate Europe (RI)”, “Exane Q-Rate Europe (RB)”, and “Exane Q-Rate Europe (D)” Indices are performance indices based on the “QRate List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate Europe” Index, income and profits are not reinvested.

The “Exane Q-Rate Europe (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate Europe (RB)” Index is calculated with gross income and profits reinvested.

The “Exane Q-Rate Europe (D)” Index is calculated with net income and profits reinvested and significant linear fixed costs.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate Europe” Index will also apply to the “Exane Q-Rate Europe (RI)”, “Exane Q-Rate Europe (RB)”, and “Exane Q-Rate Europe (D)” Indices.

All four are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, the “Exane D Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 20 November 2012.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top 5% of the MSCI Europe ex. financials.
- It is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index and the Exane D Index are calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%, except for the Exane D Index for which “F” are equal to 3.70%.
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index, the Exane D Index, and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function

Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index	Exane D Index
Bloomberg Code	EXDMQRAT	EXDMQRAR	EXDMQREB	EXDMQRED

APPENDIX

The Composition and Weighting of the Index Components on 10 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Groupe Eurotunnel	FR0010533075	5.88
Infineon	DE0006231004	5.88
Ashtead Group	GB0000536739	5.88
Ryanair	IE00B1GKF381	5.88
WPP Group	JE00B8KF9B49	5.88
Persimmon	GB0006825383	5.88
National Grid	GB00B08SNH34	5.88
Daimler	DE0007100000	5.88
Atos Origin	FR0000051732	5.88
ITV PLC	GB0033986497	5.88
Terna	IT0003242622	5.88
Neste Oyj	FI0009013296	5.88
INTERNATIONAL CONSOLIDATED AIRLINES GROUP	ES0177542018	5.88
Sodexo	FR0000121220	5.88
Publicis Groupe	FR0000130577	5.88
Dixons Carphone PLC	GB00B4Y7R145	5.88
RTL Group SA	LU0061462528	5.88

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan” “Exane Q-Rate Japan (RI)” “Exane Q-Rate Japan (RB)”

1. Introduction

The “Exane Q-Rate Japan”, “Exane Q-Rate Japan (RI)”, and “Exane Q-Rate Japan (RB)” Indices are performance indices based on the “QRate Japan List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate Japan” Index, income and profits are not reinvested.

The “Exane Q-Rate Japan (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate Japan (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate Japan” Index will also apply to the “Exane Q-Rate Japan (RI)” and “Exane Q-Rate Japan (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 06 June 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The QRate Japan list comprises the stocks rated in the top 5% of the MSCI Japan ex. financials.
- It is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Japanese Yen (JPY). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20% for the Exane Indices, however, and by way of exception, “F” are equal to 0.40% for the Exane RI Index before June 19, 2015 (inclusive).
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMQRJP	EXDMQRJR	EXDMQRJB

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Toyota Industries	JP3634600005	6.25
Obayashi Corp	JP3190000004	6.25
Idemitsu Kosan Co Ltd	JP3142500002	6.25
Yamaha Motor Co.	JP3942800008	6.25
Konica Minolta Holdings	JP3300600008	6.25
West Japan Railway	JP3659000008	6.25
Kuraray Co	JP3269600007	6.25
Toshiba	JP3592200004	6.25
NEC	JP3733000008	6.25
Casio Computer	JP3209000003	6.25
mitsubishi electric corp	JP3902400005	6.25
All Nippon Airways Co	JP3429800000	6.25
Fuji Heavy Industries	JP3814800003	6.25
KDDI	JP3496400007	6.25
Sekisui Chemical Co	JP3419400001	6.25
Toyota Motor	JP3633400001	6.25

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate US” “Exane Q-Rate US (RI)” “Exane Q-Rate US (RB)”

1. Introduction

The “Exane Q-Rate US”, “Exane Q-Rate US (RI)”, and “Exane Q-Rate US (RB)” Indices are performance indices based on the “Qrate US List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate US” Index, income and profits are not reinvested.

The “Exane Q-Rate US (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate US (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate US” Index will also apply to the “Exane Q-Rate US (RI)” and “Exane Q-Rate US (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 01 October 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top 5% of the MSCI USA ex. financials.
- It is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMQRUP	EXDMQRUR	EXDMQRUB

APPENDIX

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
LyondellBasell Industries NV	NL0009434992	4.17
Home Depot	US4370761029	4.17
Ford Motor	US3453708600	4.17
Walt Disney	US2546871060	4.17
Target	US87612E1064	4.17
Sherwin Williams	US8243481061	4.17
Kimberly-Clark	US4943681035	4.17
CVS Health Corp	US1266501006	4.17
Tyson Foods A	US9024941034	4.17
JB Hunt Transport Services Inc	US4456581077	4.17
HCA Holdings Inc	US40412C1018	4.17
Raytheon B	US7551115071	4.17
Aetna	US00817Y1082	4.17
Expeditors International Washington	US3021301094	4.17
Time Warner	US8873173038	4.17
AVERY DENNISON	US0536111091	4.17
VULCAN MATERIALS	US9291601097	4.17
Reynolds American	US7617131062	4.17
Scripps Networks Interactive Inc	US8110651010	4.17
Ulta Salon Cosmetics & Fragrance Inc	US90384S3031	4.17
Gilead Sciences	US3755581036	4.17
Comcast Corp	US20030N2009	4.17
Verizon	US92343V1044	4.17
Paccar	US6937181088	4.17

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane UK High Conviction” “Exane UK High Conviction (RI)”

1. Introduction

The “Exane UK High Conviction” and “Exane UK High Conviction (RI)” Indices are performance indices based on the “UK High Conviction List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane UK High Conviction” Index, income and profits are not reinvested.

The “Exane UK High Conviction (RI)” Index is calculated with net income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane UK High Conviction” Index will also apply to the “Exane UK High Conviction (RI)” Index.

Both are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 25 August 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List is designed to reflect the Research's strategic top-down view of the market, and their analysts' best stock-picking ideas. It aims to represent the Research Team's thematic views based on a number of factors such as the phase of the business cycle, valuations, style bias and earnings trends utilising their expertise in stock-selection. The holding period for stocks included in the list is intended to be at least 3-months but the Research Team will continually review on the basis of price action and any material changes to the investment case.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Reinvestment of income and profits of an Index Component

The Base Currency of the Exane Index is the Pound Sterling (GBP). The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index
Bloomberg Code	EXDMHUKN	EXDMHUKR

APPENDIX

The Composition and Weighting of the Index Components on 05 May 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
WPP Group	JE00B8KF9B49	9.09
Inchcape	GB00B61TVQ02	9.09
Daily Mail & General Trust A	GB0009457366	9.09
Lloyds Banking Group	GB0008706128	9.09
Glencore PLC	JE00B4T3BW64	9.09
Land Securities	GB0031809436	9.09
Rightmove PLC	GB00B2987V85	9.09
Imperial Tobacco	GB0004544929	9.09
Ladbroke's	GB00B0ZSH635	9.09
Rio Tinto	GB0007188757	9.09
Capita PLC	GB00B23K0M20	9.09

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Alpha Optimised Volatility” “Exane Beta Optimised Volatility”

1. Introduction

The “**Exane Alpha Optimised Volatility**” Index and “**Exane Beta Optimised Volatility**” Index have been developed by Exane Derivatives. By applying a specific formula to each index, they are designed to take long and/or short positions in futures on the Chicago Board Options Exchange SPX Volatility Index (Bloomberg code: VIX Index), the volatility index of the S&P500.

Exane Alpha Optimised Volatility and Exane Beta Optimised Volatility are Proprietary Indices as defined by the Base Prospectus and will be known individually as the “**Exane Index**” and collectively as the “**Exane Indices**”. The Creation Date of the Exane Indices is 24 February 2014, with a value of 10,000.00 US dollars for each Exane Index.

All terms in capital letters shall have the meaning given to them in the General Methodology.

Exane Derivatives shall act as the Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to capitalise on access to the implied volatility futures market in a quantitative manner.

The Exane Indices each have a separate objective:

- create value/performance (“alpha”) in the case of the “Exane Alpha Optimised Volatility” Index,
- gain exposure to implied volatility levels while optimally managing the inherent carry cost of taking such a position in the case of the Exane Beta Optimised Volatility Index.

3. Construction and calculation rules of the Exane Index

3.1. Index Components

The Index Components are Futures Contract Instruments on the VIX. The shortest-dated Futures Contract Instrument can be found on the Bloomberg UX1 Index page and the second shortest on the Bloomberg UX2 Index page. Seven (7) Futures Contract Instruments are used up to the Futures Contract Instrument available on the Bloomberg UX7 Index page.

3.2. Definitions

The definitions below supplement the terms set down in the General Methodology.

“**Trading Day**” is a day when banks are open in Paris and when the VIX futures market - the Chicago Board Options Exchange (“**CBOE**”) - is open and publishes the closing prices (called the Daily Settlement Price by the CBOE) of Index Components.

“**Launch Date of the Exane Beta Optimised Volatility Index**” refers to 24 February 2014.

“**Launch Date of the Exane Alpha Optimised Volatility Index**” refers to 24 February 2014.

“**I(t,t-1)**” is the ratio between the closing level of the Fed Funds Index (Bloomberg code: DBDUFDFD Index) at Calculation Date t and at Calculation Date t-1.

“**Price of Component i at date t**” or “**Vi(t)**” is defined by the CBOE under the name “Daily Settlement Price” of the Index Component (i) (where i ranges from 1 to 7) at Calculation Date t.

“**Final Settlement Date**” is defined in the following terms by the CBOE as “*The Wednesday that is thirty days prior to the third Friday of the calendar month immediately following the month in which the contract expires (“Final Settlement Date”). If the third Friday of the month subsequent to expiration of the applicable VIX futures contract is a CBOE holiday, the Final Settlement Date for the contract shall be thirty days prior to the CBOE business day immediately preceding that Friday.*”

“**V0(t)**” is, by extension, the Daily Settlement Price defined by the CBOE of the VIX itself (not the VIX futures contract) at Calculation Date t.

“**Wi,t**” refers to the weighting of each Index Component worth Vi(t) with i of 1 to 7. If Wi(t) is positive, one buys at date t Wi,t Index Component worth Vi,t. Conversely, one sells if Wi,t is negative.

“**Pi**” refers to the maximum weighting by Index Component (the absolute value of Wi(t) is below or equal to Pi, defined for Index Components 1 to 6, which depends on the optimisation programme (see paragraphs 3.2.3 and 3.2.4 below)).

“**Fi**” refers to the fees for each Index Component(i) as set out in the table below:

(i)	Fi
1	0.10%
2	0.12%
3	0.14%
4	0.16%
5	0.18%
6	0.20%
7	0.22%

“**|X|**” refers to the absolute value of a number X.

3.3. Calculation rules

3.3.1. General principle

Firstly, the curve of Futures Contract Instruments on the VIX is considered to have a mixed behaviour, with its short part V1(t) being highly sensitive to fluctuations in the VIX and its long part (V2(t) to V6(t)) reacting more and more slowly as one goes down the curve. Exposure to implied volatility therefore implies being long V1, which is not the case if one is seeking a pure alpha product. Secondly, the curve is not considered to be non-realizing, i.e. over time the V6(t), for example, will trend towards what the V5(t) was. The curve is therefore said to “slide”.

This slide is described for all Vi between t and t+1 as follows:

$$V_i(t+1) = V_i(t) + \frac{(V_{i-1}(t) - V_i(t))}{t_{ech_i} - t_{ech_{i-1}}} \times 1$$

Where t_{ech_i} is the expiration date of Vi and by extension $t_{ech_0}=t$

3.3.2. Carry: the non-realization of the curve

Carry comes from the non-realization of the curve and is calculated by the following formula, applied to the six Futures Contract Instruments.

$$C(t, 1-6) = \sum_{i=1}^6 \frac{W_{i,t}}{100} \times \left(\frac{(V_i(t) - V_{i-1}(t))}{t_{ech_i} - t_{ech_{i-1}}} \right)$$

3.3.3. The beta optimisation programme of the Exane Beta Optimised Volatility Index

[Wi,t] is sought at each date t on the basis of Daily Settlement Prices, such that

C(t,1-6) is minimal: carry is minimised, and often becomes an early gain.

Under the following constraints:

$\sum_{i=1}^6 W_{i,t} \geq 0$: we are seeking a “beta” product. The vega is thus positive.

W1,t is in [0; 50] and $|\sum_{i=2}^6 W_{i,t}| \leq 50$: a “beta” product mainly implies a long position on V1.

Pi is equal to [50; 50; 40; 30; 20; 10]

With i of 1 to 6: $|W_i(t)| \leq P_i$ et $|W_i(t) - W_i(t-1)| \leq P_i/2$: the further one goes down the curve, the less liquid it is.

3.3.4. The alpha optimisation programme of the Exane Alpha Optimised Volatility Index

At each date t on the basis of Daily Settlement Prices, [Wi,t] is sought such that:

C(t,1-6) is minimal: the carry cost is minimised, and often becomes an expected gain.

Under the following constraints:

$|\sum_{i=2}^4 W_{i,t}| \leq 12$ and $|W_1(t)| \leq 6$, $|W_2(t)| \leq 5$, $|W_3(t)| \leq 4$, $|W_4(t)| \leq 3$, $|W_5(t)| = |W_6(t)| = 0$: the objective is to create alpha. The overall position is limited by the fact that the market lacks liquidity or is costly in terms of transaction fees.

- In other words, Pi is equal to [6; 5; 4; 2; 0; 0]

- With i of 1 to 4: $|W_i(t) - W_i(t-1)| \leq \pi/2$: the further one goes down the curve, the less liquid it is.

3.4. Calculation Formulae

The Exane Indices are obtained by:

- 1) Applying the optimisation programmes described in paragraphs 3.3.3 and 3.3.4 above.
- 2) Basing the calculation mechanism below on the resulting $[W_{i,t}]$.

Functioning of the Exane Indices

The Exane Index (either Alpha Optimised Volatility or Beta Optimised Volatility that differ only by their respective $W_{i,t}$) is defined on its Launch Date by a fixed value of 10 000 USD.

The Exane Index is then defined by an iteration that may take three forms described as $\text{Index}(t+1)=\text{Index}(t)$ multiplied either by [a] [b] or [c] with :

- a)
$$\left[I(t+1, t) + \sum_{i=1}^6 \frac{W_{i,t-1}}{100} \times \left(\frac{V_i(t+1)-V_i(t)}{V_i(t)} \right) - \sum_{i=1}^6 F_i \times \left| \frac{W_{i,t}}{100} - \frac{W_{i,t-1}}{100} \right| - \frac{1\%}{252} \right]$$
- b)
$$\left[I(t+1, t) + \sum_{i=1}^6 \frac{W_{i,t-1}}{100} \times \left(\frac{V_i(t+1)-V_{i+1}(t)}{V_{i+1}(t)} \right) - \sum_{i=1}^6 F_i \times \left| \frac{W_{i,t}}{100} - \frac{W_{i,t-1}}{100} \right| - \frac{1\%}{252} \right]$$
- c)
$$\left[I(t+1, t) + \sum_{i=1}^6 \frac{W_{i,t-1}}{100} \times \left(\frac{V_i(t+1)-V_i(t)}{V_i(t)} \right) - \sum_{i=2}^6 F_i \times \left| \frac{W_{i-1,t}}{100} - \frac{W_{i,t-1}}{100} \right| - F_1 \times \left| \frac{W_{1,t-1}}{100} \right| - F_7 \times \left| \frac{W_{6,t}}{100} \right| - \frac{1\%}{252} \right]$$

The use of the formula [a], [b] or [c] above depends on the date as compared to the Final Settlement Date:

The formula [c] will be used to compute $\text{Index}(t+1)$ from $\text{Index}(t)$ if $t+1$ is the Business Day prior to the Final Settlement Date, the formula used immediately afterwards will be [b] to compute to value on the Final Settlement Date. In all other cases formula [a] will be used.

3.5. Calculation and Calculation Dates

The Exane Indices are only calculated and published on Business Days.

The Exane Alpha Optimised Volatility Index corresponds to the application of the process described in paragraph 3.4 under the constraints of its optimisation programme described in paragraph 3.3.4. The value of the Exane Alpha Optimised Volatility Index on Bloomberg page EXDMAVOL at date t is defined by $\text{Strat}(t)$.

The Exane Beta Optimised Volatility Index corresponds to the application of the process described in paragraph 3.4 under the constraints of its optimisation programme described in paragraph 3.3.3. The value of the Exane Beta Optimised Volatility Index on Bloomberg page EXDMBVOL at date t is defined by $\text{Strat}(t)$.

3.6. Base Currency

The Base Currency of the Exane Indices is the US Dollar (“USD”).

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

All available information on the Exane Indices can be found on the website www.exane.com.

The latest valuations of the Exane Indices are displayed on the Bloomberg page <ALLX EXDM> under the following codes:

Source		Exane Alpha Optimised Volatility Index	Exane Beta Optimised Volatility Index
Bloomberg	Page	ALLX EXDM	ALLX EXDM
	Code	EXDMAVOL	EXDMBVOL

Appendix

The Composition and Weighting of the Index Components on 23 June 2015, the last Rebalancing Date :

Exane Alpha Optimised Volatility		
Name	Bloomberg Code	Weighting (in %)
Fed Fund Total Return	DBDUFDFD	112
ViX Fut (07/15)	UXN5	-6
ViX Fut (08/15)	UXQ5	-5
ViX Fut (09/15)	UXU5	-4
ViX Fut (10/15)	UXV5	3
Exane Beta Optimised Volatility		
Name	Bloomberg Code	Weighting (in %)
Fed Fund Total Return	DBDUFDFD	100
ViX Fut (08/15)	UXQ5	-50
ViX Fut (09/15)	UXU5	-10
ViX Fut (10/15)	UXV5	30
ViX Fut (11/15)	UXX5	20
ViX Fut (12/15)	UXZ5	10

Disclaimer: Conflicts of interest

The calculation and publication of the values of the Exane Indices by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process.

The impartiality and independence of the Exane Indices calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane DIF Europe”

1. Introduction

The “**Exane DIF Europe**” index is a performance index composed of funds or listed financial instruments, and traded or proprietary indices (the Components).

These Components are exposed to European credit and/or to European equities and form the Credit Components and Equity Components of the Exane Index.

The Index is totally invested in the Credit Components at all times, and more or less invested in the Equity Components, by borrowing against the Eonia short-term rate, plus 0.80%.

The Credit Components and Equity Components are those of the DIF List (the “**List**”) established by the Exane Research teams (“**Research Team**”). They can change over time and are reviewed at least quarterly.

The Equity and Credit Research List breaks down into three parts:

- The first part is the Equity Components and their respective weights,
- The second part is the Credit Components and their respective weights,
- The third part is a percentage, between 0 and 100% (hereafter Q(t)), which makes the Exane Index more or less sensitive to the performance of the Equity Components.

The List aims to generate performance based on Equity Components. The risks associated to such performance are mitigated by the choice of the Credit Components. Equity Component momentum is managed by a single percentage.

The “**Exane DIF Europe**” index is a Proprietary Index as per the Base Prospectus and is hereafter named the “**Exane Index**”.

The Creation Date of the Index is 1 September 2014, with a value of EUR1,000.

All terms in capital letters shall have the meaning ascribed in the General Methodology.

Exane Derivatives shall act as the Index Calculation Agent.

2. Objectives

The objective of the “**Exane DIF Europe**” index is, by using an optional quantitative calculation and a percentage (Q(t) published by the Research Team in the third part of the List), to determine on a daily basis the delta of a call option on the Equity Components of the List so as to be in a long position on the latter.

The Index is thus exposed to the credit market via the choice of Credit Components on the List and, in part and dynamically, to the Equity Components of the List.

At each anniversary date, the quantitative calculation is re-initialised and a new I(a) as defined in 5.3.1 is determined.

3. Construction and calculation rules of the Exane Index

3.1. Selection of Exane Index Components

The components of the Index are the Equity Components and Credit Components:

- o Equity Components and their respective weights form the Equity Leg. The Equity Leg is itself weighted in the Index as per the terms described in 3.5.1.
- o Credit Components and their respective weights form the Credit Leg. The Credit Leg has a 100% weighting in the Index.

Whenever the Research Team makes changes to the List comprising the weight and components of each as described above, the Technical Committee checks that the new inclusions comply with the Technical Eligibility Criteria described below.

The Research Team can at any time decide to change the percentage of the third part of the List, the carry quantity $Q(t)$, used in the calculation described below in 3.5.1. This percentage is validated by the Technical Committee before effective implementation.

The weighted composition and the carry quantity of the Exane Index at the Creation Date of the Index are given in Appendix 1 of this Specific Methodology.

3.2. Technical Eligibility Criteria

To be eligible for inclusion in the Exane Index, the Components must be an equity or credit index, whether a market or proprietary index.

3.3. Definitions

3.3.1. Carry

The Carry, $P(a)$, is calculated each year at the anniversary date of the index (as defined in 3.5.1), at market close and is equal to:

$5 \times (T + C/100)/100$ where T is the value of the 5-year swap rate vs the 3-month Euribor on Bloomberg page EUSA5 Curncy, and C is the value of a credit index on page Bloomberg page ITRXEXE CBIL Curncy, expressed in basis points.

3.3.2. Equity and Credit Legs

In the Equity Leg and the Credit Leg, the Components are weighted whenever the List is updated. Their effective weightings then change depending on the relative performance of each Component within each Leg.

The value in EUR of the Equity Leg defined in 3.1 is recalculated by using the closing prices of the Equity Components, income stemming from holding the Equity Components is reinvested, after withholding tax if applicable, in the Equity Components themselves, at the pro rata of the respective weights at the time of reinvestment. This value on day t is written as $PA(t)$.

The value in EUR of the Credit Leg defined in 3.1 is recalculated by using the closing prices of the Credit Components; income stemming from holding the Credit Components is reinvested, after withholding tax if applicable, in the Credit Components themselves, at a pro rata of their respective weights at the time of reinvestment. This value on day t is written as $PC(t)$.

3.4. Volatility and Reference Option

The Equity Leg is recalculated daily, $PA(t)$, based on the closing prices of the Equity Components. Its volatility is calculated each day t ; $V(t)$ is determined by the following formula:

$$\sqrt{\sum_{u=t-260}^{u=t} \left(\ln \left(\frac{PA(u)}{PA(u-1)} \right) - m_t \right)^2} \text{ where } m_t = \frac{1}{261} \sum_{u=t-260}^{u=t} \ln \left(\frac{PA(u)}{PA(u-1)} \right)$$

3.5. Principle calculation

3.5.1. Definition by iteration

Let $I(t)$ be the value of the Index at date t , $I(0)$ with a value of 1,000.

Let a be the date of the latest anniversary of the Index (during the first year a = Creation Date of the Index) and by extension, $a+5$ the date of the fifth anniversary.

The Reference Option is an option maturing at $a+5$ of spot $PA(t)/PA(a)$ of the exercise price with 100% volatility $V(t-1)$ at the rate equal to that of the EUSA5 Curncy page at date t at 17.30h. Its price $PO(t)$ and delta $D(t)$ are determined by the Calculation Agent by applying the Black & Scholes formula as described in Appendix 2 of the Specific Methodology:

We have

$$I(t) = I(t-1) \times (1 + XBA(t) + XBO(t))$$

Where

$$- XBA(t) = D(t-1) \times P(a) \times \frac{Q(t-1)}{PO(a)} \times \left[\frac{PA(t)}{PA(t-1)} - \frac{EONCAPL7(t)}{EONCAPL7(t-1)} - 0.80\% \times \frac{1}{252} \right]$$

- $XBO(t) = \left[\frac{PC(t)}{PC(t-1)} - 1 \right]$
- D(t) is the delta of the Reference Option at date t
- Q(t-1) is the Carry Quantity at date t-1
- P(a) is the Carry determined at the anniversary date a
- PO(a) is the value of the Reference Option at the anniversary date a
- PA(t) is the value of the Equity Leg at date t
- PC(t) is the value of the Credit Leg at date t
- EONCAPL7(t) is the value of the capitalisation index based on Eonia (Bloomberg Code EONCAPL7 Index) at date t

3.5.2. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the euro.

The foreign exchange risk is not hedged. The stocks in the sample have an impact through their prices in euro and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.5.3. Calculation formulae

The Calculation Agent of the Index will use the calculation formulae described in **Appendix 1 “Calculation method for Exane Indices”** of the General Methodology by applying the following parameter

- ⇒ Clause 4.2.b “Mechanism specific to reinvestment of income and profits of an Index Component” will apply respectively to each Leg (Equity and Credit).

4. Technical Committee

4.1. Technical Committee Members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

4.2. Regular Meeting

The Technical Committee meets at least once a quarter and the composition of the Exane Index is systematically reviewed at least once a year.

A Technical Committee meeting is called each time the Components or Carry Quantity change.

5. PUBLICATION

All the information available on the Exane Indices can be found on the **www.exane.com** website.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXM> as indicated below:

Source		Exane DIF Europe
Bloomberg	Page	ALLX EXDM
	Code	EXDMDIF

Appendix 1

The Composition and Weighting of the Index Components on 23 June 2015, the last Rebalancing Date:

Name	Bloomberg Code	Weighting (in %)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	-55.25005
Exane European High Yield Credit	EXDMEHYC	100
Exane Q-Rate Europe (RI)	EXDMQRAR	55.25005

Appendix 2

Black & Scholes formulae

- a) The price of option PO(a) is that resulting from the application of the formula below, where $T=a+5$ years, $t=a$, $v=V(a-1)$, $S=K=100\%$ and $r=EUSA5(a)/100$

$$\text{Formula}(S, K, r, T, t, v) = S \times \text{Norm}(d) - K \times e^{-r \times (T-t)} \text{Norm}(d - v \times \sqrt{T-t})$$

$$\text{Where } d = \frac{\left(\log\left(\frac{S}{K}\right) + (r + 0.5 \times v^2) \times (T-t)\right)}{v \times \sqrt{T-t}} \text{ and Norm}(x) \text{ the standard normal distribution function } \frac{1}{\sqrt{2\pi}} \times e^{-\frac{x^2}{2}}$$

- b) The delta D(t) is that resulting from the application of the formula below, where $T=t+5$ years, $S=PA(t)/PA(a)$, $K=100\%$, $v=V(t-1)$, and $r=EUSA5(t)/100$

$$100 \times \{\text{Formula}(S \times 1.01, K, r, T, t, v) - \text{Formula}(S, K, r, T, t, v)\}$$

Disclaimer: Conflicts of Interests

The calculation and publication of the values of the Exane Index by Exane Derivatives requires two successive steps:

- the first consists in establishing a List of components and the coefficient $Q(t)$; it is carried out by Exane Research;
- the second consists in calculating the value of the Index, based on rules determined in the Index Calculation methodology, by Exane Derivatives a wholly-owned subsidiary of Exane SA.

These two steps may give rise to conflicts of interest. The principal negative impact of such conflicts would challenge the independence of the Index selection and calculation process.

For the components and the coefficient $Q(t)$ stemming from Exane Research, an impartial and independent selection process and their relative weights are guaranteed by the conflict of interest management process applicable to Exane Research (conflict of interest management policy available on <https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Dynamic Allocation Europe US Japan”

1. Introduction

The Exane Dynamic Allocation Europe US Japan index is a performance index consisting of a systematic strategy of purchasing the various Exane QRate indices.

The Exane Dynamic Allocation Europe US Japan is a Proprietary Index as per the applicable Base Prospectus (available on the issuer’s website www.exane.com/exaneissues) and will be hereafter referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 2 September 2014 with an initial value of EUR1,000.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to choose on each Calculation Date to be linked to one of the three QRate indices –Exane QRate Europe, QRate US in EUR and QRate Japan in EUR – or even to a money market allocation, on the basis of purchasing managers’ indices data, i.e. the PMIs for Europe, the USA and Japan.

3. Construction and calculation rules of the Exane Index

3.1 Selection of Index Components

The components of the Exane Index are:

The Exane Q-Rate Europe (RI) index available on Bloomberg page EXDMQRAR Index,

The Exane Q-Rate US EURO index available on Bloomberg page EXDMQRUE Index,

The Exane Q-Rate Japan EURO index available on Bloomberg page EXDMQRJE Index,

The Eonia capitalisation index in euro available on Bloomberg page EONCAPL7 Index.

The value on date t is the value of the index at close of trading on the Bloomberg page (“Name of the page”)(t)).

3.2 Calculation Principle

3.2.1 Definitions

Let $X(t)$ be the latest value available before date t for the PMI Europe, available on Bloomberg page MPMIEUCA Index. And $\overline{X(t)}$ the average of $X(j)$ for all Calculation Dates j between t and t less 1 year.

Let $Y(t)$ be the latest value available before date t for the PMI USA, available on Bloomberg page MPMIUSCA Index. And $\overline{Y(t)}$ the average of $Y(j)$ for all Calculation Dates j between t and t less 1 year.

Let $Z(t)$ be the latest value available before date t for the PMI Japan, available on Bloomberg page MPMIJPCA Index. And $\overline{Z(t)}$ the average of $Z(j)$ for all Calculation Dates j between t and t less 1 year.

The scores of a zone at date t are the situation of the PMI in absolute level and relative to the average level, i.e.:

$$S(\text{Europe},t)=S_e(t)= X(t) + [X(t)- \overline{X(t)}]$$

$$S(\text{US},t)=S_u(t)= Y(t) + [Y(t)- \overline{Y(t)}]$$

$$S(\text{Japan},t)=S_j(t)= Z(t) + [Z(t)- \overline{Z(t)}]$$

3.2.2 Base Currency

The Base Currency of the Exane Index is the euro.

3.3 Calculation Formulae

Valuation of the Index is by iteration between two Calculation Dates based on the following formula
 $\text{Index}(0)=1000$

$$\text{Index}(d + 1) = \text{Index}(d) \times \text{Perf}(d, d + 1)$$

Where if $\text{Max}(S_e(d); S_u(d); S_j(d)) < 50$, $\text{Perf}(d, d+1) = \text{EONCAPL7}(d+1)/\text{EONCAPL7}(d)$
(thus : if the score is below a threshold the allocation is a monetary one).

Otherwise, depending on the best score, the Exane Index will be linked to the QRate of the zone with the best score:

$\text{Perf}(d, d+1) = \text{EXDMQRRAR}(d+1)/\text{EXDMQRRAR}(d)$ if $S_e(d) = \text{Max}(S_e(d); S_u(d); S_j(d))$, then
 $\text{Perf}(d, d+1) = \text{EXDMQRUE}(d+1)/\text{EXDMQRUE}(d)$ if $S_u(d) = \text{Max}(S_e(d); S_u(d); S_j(d))$, then
 $\text{Perf}(d, d+1) = \text{EXDMQRJE}(d+1)/\text{EXDMQRJE}(d)$ if $S_j(d) = \text{Max}(S_e(d); S_u(d); S_j(d))$ otherwise.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

All data on the Exane Index are available on the www.exane.com website.

The latest values of the Exane Index, including 1-year performance and volatility, are on Bloomberg page <ALLX EXM>, under the following codes:

Source		Exane DYNAMIC ALLOCATION EUROPE US JAPAN index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRWD

APPENDIX

The Composition and Weighting of the Index Components on 01 June 2015, the last Rebalancing Date:

Name	Bloomberg Code	Weighting (in %)
Exane Q-Rate Europe (RI)	EXDMQRAR	100

Disclaimer: Conflicts of Interest

The calculation and publication of the values of the Exane Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index Calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process and component.

The impartiality and independence of the Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Enhanced Q Europe”

1. Introduction

The Exane Enhanced Q Europe index is a performance index made up of the Exane Q-Rate Europe (RI) index and listed options on the EUROSTOXX 50® index.

The Exane Enhanced Q Europe index is a Proprietary Index as stated in the Base Prospectus applicable (available on the www.exane.com/exaneissues website) and shall be referred to as the “**Exane Index**”.

The Exane Index was created on 19 September 2014 with a value as defined in 3.4.6.

Any terms in uppercase shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Calculation Agent.

2. Objectives

The objective of the Exane Index is, according to a formula,

- a) to add option short positions listed on the EUROSTOXX 50®: at all times, the index has a selling position on listed options with an exercise price between at the money and 105% from the money if the selling price is sufficiently high.
- b) to buy a long position on the Exane Q-Rate Europe (RI) index, an Exane Proprietary Index

3. Construction and calculation rules for the Exane Index

3.1 Selection of the Exane Index components

The Exane Index is made up of an Index Instrument, the Exane Q-Rate Europe (RI) index (Bloomberg code: EXDMQRAR) and options on the Eurostoxx 50® index (Bloomberg code: SX5E).

The make-up of the Exane Index on the Creation Date is available in the appendix of the Specific Methodology.

3.2 Calculation rules

The Exane Index consists in selling options on every Friday “v”, options expiring on the third Friday of the month m stated as v3(m) [see §3.4] for a notional amount depending on the value of the Index over the previous period and as long as the option premium is high enough (as detailed in the “indicator” condition defined in §3.4.4),

Depending on the calendar, options can have a duration of between one (1) week and five (5) weeks (see chart below for the most standard case over 4 weeks). Options are sold at the value of the Exane Index without taking into account the time value of active options.

Therefore, the value of the Exane Index is defined according to the formula as per 3.4.6 at each expiry (i.e. every v3(m) when options expire). Between two listed expiries, the Calculation Agent of the Index recalculates the Exane Index using the settlement prices of options sold and the closing price of the Index Instrument.

3.2.1 Reinvestment of interest and income

The Exane index is calculated without reinvesting the interest and income from the Index Components, as the Index Components are either options or an index that automatically reinvests interests and income.

3.2.2 Currency and foreign exchange risk

The Currency of the Exane Index is the euro (“**EUR**”).

Foreign exchange risk is not hedged. The Index Components are accounted for at the price in EUR.

3.2.3 Calculation Dates

The Exane Index is calculated and published only on Trading Days (“**Calculation Dates**”) when the Index Instrument is published. In the formulae below these days may also be called “trading days”.

3.3 Calculation of the Exane Index

3.3.1 Dates

“**v(m)**” is any Friday (or the previous Trading Day) of month m.

“**v1(m)**” is the first Friday (or the previous Trading Day) of month m.

“**v1(m)#**” is the trading day which precedes the first Friday (or the previous Trading Day) of month m.

“**v2(m)**” is the second Friday (or the previous Trading Day) of month m.

“**v2(m)#**” is the trading day which precedes the second Friday (or the previous Trading Day) of month m.

“**v3(m)**” is the third Friday (or the previous Trading Day) of month m.

“**v3(m)#**” is the trading day which precedes the third Friday (or the previous Trading Day) of month m.

“**v4(m)**” is the fourth Friday (or the previous Trading Day) of month m, if it exists

“**v4(m)#**” is the trading day which precedes the fourth Friday (or the previous Trading Day) of month m, if it exists

“**v5(m)**” is the fifth Friday (or the previous Trading Day) of month m, if it exists

“**v5(m)#**” is the trading day which precedes the fifth Friday (or the previous Trading Day) of month m, if it exists

vi(m) and **vi(m)#** will be the generic term applicable to i between 1 and 5.

3.3.2 Index Components

“**SJ**” is the Index Instrument

“**SJ([date])**” is the value at close of SJ at a date as per 3.4.1

“**I**” is the Exane Index.

“**I([date])**” is the value at close of I at a date as per 3.4.1

“**BW**” is the EUROSTOXX 50® index available on Bloomberg SX5E Index.

“**BW([date])**” is the value at close of BW at a date as per 3.4.1.

“**BW'([date])**” is the value used for the settlement of options on BW posted on Bloomberg FSX5ES at 12.00 Paris time, at a date as per 3.4.1.

3.3.3 Performance

The performance is a price ratio. If the asset is constant, its performance is 1.

« **PerfSJ([date],[date'])** » is the performance of SJ i.e. the ratio $SJ([date'])/SJ([date])$, as [date'] comes after [date] and both these dates are as per 3.4.1.

« **PerfBW([date],[date'])** » is the performance of BW i.e. the ratio $BW([date'])/BW([date])$, [date'] comes after [date] and both these dates are as per 3.4.1.

3.3.4 Indicators and price

“**M10([date])**” is the ten (10) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per 3.4.1.

“**M20([date])**” is the twenty (20) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per 3.4.1.

“**X([date])**” is equal to 1 if $M10([date]) > M20([date]) + 2.5\%$, and 1.05 otherwise.

“**K([date])**” is the closest option exercise price lower than or equal to $X([date]) \times BW([date])$ available on Bloomberg SX5E Index OMON.

“**P([date],[date'])**” is the value in euro of the buying option (also called call premium) on [date] at close, with a maturity date of [date'] with an exercise price K as per 3.4.5, available on Bloomberg SX5E Index OMON, obtained on QR of the corresponding option, also called settlement price, posted at approximately 18.30 Paris time. The Calculation Agent can also call on counterparties other than Exane to determine this value.

“**Ind([date], [date'])**” is a number equal to 0 or 1, where, respectively, $P([date],[date']) < 3$ euros or $P([date],[date']) \geq 3$ euros. If the Indicator equals 0, no options are sold for the calculation of 3.4.6 and the P&L of 3.4.5 is equal to 0.

“**Pbid([date],[date'])**” is equal to $P([date],[date'])$ minus

1 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is < 25 ,

1.5 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is < 30 ,

2 euros if the VSTOXX index available on Bloomberg V2X at close on [date] is < 40 ,

2.5 euros otherwise.

With a minimum of 0.

3.3.5 Options

The options sold with a maturity of $v3(m+1)$ are the following in chronological order:

Sell date	Exercise date	Indicator
$v3(m)$	$K(v3(m)\#)$	$Ind(v3(m)\#, v3(m+1))$
$v4(m)$	$K(v4(m)\#)$	$Ind(v4(m)\#, v3(m+1))$
$v5(m)$	$K(v5(m)\#)$	$Ind(v5(m)\#, v3(m+1))$
$v1(m+1)$	$K(v1(m+1)\#)$	$Ind(v1(m+1)\#, v3(m+1))$
$v2(m+1)$	$K(v2(m+1)\#)$	$Ind(v2(m+1)\#, v3(m+1))$

The unwinding of the position will be as follows:

$Ind(v3(m)\#, v3(m+1)) \times [Pbid(v3(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v3(m)\#)))]$	$P3(m)$
$Ind(v4(m)\#, v3(m+1)) \times [Pbid(v4(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v4(m)\#)))]$	$P4(m)$
$Ind(v5(m)\#, v3(m+1)) \times [Pbid(v5(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v5(m)\#)))]$	$P5(m)$
$Ind(v1(m+1)\#, v3(m+1)) \times [Pbid(v1(m+1), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v1(m+1)\#)))]$	$P1(m+1)$
$Ind(v2(m+1)\#, v3(m+1)) \times [Pbid(v2(m+1), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v2(m+1)\#)))]$	$P2(m+1)$

$Pi(m)$ corresponds to the profit and loss by option.

3.3.6 Calculation formula

The Calculation Agent of the Exane Index will amend the calculation formula described in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology as follows:

$$Index(t) = Ihf(t) \times \left(1 - \frac{F}{B}\right)^{n(t)}$$

Where:

Ihf (“hf” for excluding fees) is defined according to a formula every third Friday (calculated using option valuations as per 3.4.5 on each Calculation Date) by

- Its initial value on the third Friday of September 2014 (also $v3(1)$) is equal to $SJ(\text{Creation Date}) = SJ(v3(1))$

- And by iteration according to the following formula:

$$Ihf(v3(m)) = SJ(v3(m)) \times NB(v3(m)) + SPL(v3(m))$$

- Where

- $NB(v3(1))=NB(v4(1))=1$ then
- $NB(v3(m))=NB(v4(m-1))$
- $NB(v4(m))=NB(v3(m)) + SPL(v3(m))/SJ(v4(m)\#)$
- $NB(v2(m+1))=NB(v1(m+1))=NB(v5(m))=NB(v4(m))$

NB corresponds to the number of underlyings, equal to 1 on the Creation Date, which varies according to the profit or loss of the options.

- SPL is defined as follows

- $SPL(v3(m)) = PL(v2(m)) + PL(v1(m)) + PL(v5(m-1)) + PL(v4(m-1)) + PL(v3(m-1))$

SPL corresponds to the profit or loss of options actually sold by the Index; it is based on the $Pi(m)$ adjusted for options sold.

Where

- $PL(v2(m)) = 0.4 \times NB(v2(m)) \times SJ(v2(m)\#) \times P2(m) / BW(v2(m)\#)$
- $PL(v1(m)) = 0.4 \times NB(v1(m)) \times SJ(v1(m)\#) \times P1(m) / BW(v1(m)\#)$
- $PL(v5(m-1)) = 0.4 \times NB(v5(m-1)) \times SJ(v5(m-1)\#) \times P5(m-1) / BW(v5(m-1)\#)$
- $PL(v4(m-1)) = 0.4 \times NB(v4(m-1)) \times SJ(v4(m-1)\#) \times P4(m-1) / BW(v4(m-1)\#)$
- $PL(v3(m-1)) = 0.4 \times NB(v3(m-1)) \times SJ(v3(m-1)\#) \times P3(m-1) / BW(v3(m-1)\#)$

Index Fees ("F") are equal to 0.50%,

$n(t)$ = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t ,

B is expressed in number of trading days and equals 252.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding Exane Indices is available on the www.exane.com website.

The latest valuations of the Exane Indices, including performance and 1-year volatility, are available on Bloomberg page <ALLX EXM>, as indicated below:

		Exane Enhanced Q Europe index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRBW

APPENDIX

The Composition and Weighting of the Index Components on 23 June 2015, the last Rebalancing Date:

Name	Code or Ticker	Weighting (in %)
Cash euro	na	0.36
Exane Q-Rate Europe (RI)	EXDMQRAR	100.29
Call SX5E 3600 E 17/07/2015 Eurex 10 #0	SX5E 07/17/15 C3600	-0.65

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the Exane Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane European High Yield Credit OV8”

1. Introduction

The “Exane European High Yield Credit OV8” Index is a performance index made up of a systematic strategy applied to an Exane Proprietary Index.

The Exane European High Yield Credit OV8 Index is a Proprietary Index as per the applicable Base Prospectus (available on the issuer’s website www.exane.com/exaneissues) and will be hereafter referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 29 August 2014 with an initial value of EUR1,000.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to control the volatility of an existing Exane index i.e. the Exane European High Yield Credit, available on Bloomberg page EXDMEHYC <Index>. If necessary, a money market position can be included (Eonia capitalisation index available on Bloomberg page EONCAPL7 <Index>).

3. Construction and calculation rules of the Exane Index

3.1 Selection of Index Components

The components of the Exane Index are:

- A credit index (“Credit Index”), i.e. the Exane European High Yield Credit, available on page Bloomberg page EXDMEHYC <Index>. Its value at close of trading on date t is EXDMEHYC(t),
- A capitalisation index (“Capitalisation Index”) in euro available on Bloomberg page EONCAPL7 <Index>. Its value at close of trading on date t is EONCAPL7(t).

3.2 Calculation Principle

3.2.1 Definitions

Volatility control can be obtained by using a formula of the Base Prospectus, i.e. the “Vol Cap Strategy”.

Based on the same document, the Exane Index is a Vol Cap Strategy where:

VolLevel=8%

N=40, N' = 39

Lag=1

B=252

PerfMonetary (t) is performance at t of the Capitalisation Index, i.e. the EONCAPL7(t)/EONCAPL7(t-1) ratio.

PerformanceStrategy(t) is the performance of the Credit Index, i.e. the EXDMEHYC(t)/EXDMEHYC(t-1) ratio.

3.2.2 Base Currency

The Base Currency of the Exane Index is the euro.

3.3 Calculation Formulae

Calculation of the Index is made by iteration according to the following formula, derived from the Base Prospectus:

$$\text{Index}_t = \text{Index}_{t-1} \times [\text{ExpoVol}_{t-1} \times \text{PerformanceStrategy}_t + (1 - \text{ExpoVol}_{t-1}) \times \text{PerfMonetary}_t]$$

4 Technical Committee

4.1 List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5 Publication

All data on the Exane Index are available on the exane.com [website](#).

The latest values of the Exane Index, including 1-year performance and volatility, are on Bloomberg page <ALLX EXM>, under the following codes:

Source		Exane European High Yield Credit OV8
Bloomberg	Page	ALLX EXDM
	Code	EXDMHYOV

APPENDIX

The Composition and Weighting of the Index Components on 29 August 2014, the last Rebalancing Date:

Name	Bloomberg Code	Weighting (in %)
Exane European High Yield Credit	EXDMEHYC	100

Disclaimer: Conflicts of Interest

The calculation and publication of the values of the Exane Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index Calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process and component.

The impartiality and independence of the Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane European High Yield Credit”

1. Introduction

The “Exane European High Yield Credit” index is a performance index composed of a systematic strategy that consists in selling protection on the credit derivatives market and a synthetic investment in the long-term yield curve via indexing to a long interest rate position.

The Exane European High Yield Credit index is a Proprietary Index as per the Base Prospectus applicable (available on the issuer’s website www.exane.com/exaneissues) hereafter referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 29 August 2014; its value at creation was 1,000 euro.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to benefit from the spreads paid by buyers of hedging on European non investment grade issuer and the exposure to the yield curve by being synthetically exposed to a swap (“Interest Rate Swap”).

3. Construction and calculation rules of the Exane Index

3.1 Selection of the Index Components

The components of the Exane Index are:

- To benefit from the credit spreads
 - A credit index (“Credit Index”): the Itraxx crossover 5 year long total return, available on Bloomberg page ITRXTX5I Index, designed by Markit to reflect a reiterated investment on the credit risk of a basket of tens of issuers.
- To benefit from the exposure to the yield spread
 - A capitalisation index (“Capitalisation Index”) in euro available on Bloomberg page EONCAPL7 Index, used to determine the variable paying leg of the Interest Rate Swap

Swap rates on the Bloomberg pages EUSWE4 CMPL Curncy, EUSWE5 CMPL Curncy, EUSWE6 CMPL Curncy, which determine the fixed received leg in the Swap Rate.

3.2 Calculation principle

3.2.1 Definitions

Let d be a trading day and $N(d-1, d)$ the number of calendar days between $d-1$ and d .

A series is a list of issuers corresponding to the Credit Index and published on Bloomberg page DES of the ITRX XOVER CDSI GEN 5Y MKIT Corp. Each series has a starting date and a maturity date. The series change every 20 March and 20 September (or the next London trading day), which are the Roll Dates. At each Roll Date, a new series is created. The current series (“the series”) is associated to a given d date.

Let $\text{CreditIndex}(d)$ be the value of the Credit Index at d date.

Let $\text{EONCAP}(d)$ be the value of the Capitalisation Index at d date.

Let $m(d)$ be the maturity of the Series on d date. Note that if d is a Roll Date, $m(d)$ is the maturity of the new Series.

Let $P(d)$ be the portion of year between:

d date, and the date corresponding to $m(d)$ minus 4 years,

or else between:

d date, and the date corresponding to m(d-1) minus 4 years, if d is a Roll Date, Calculated as the ratio between:

- (i) the number of calendar days between the d date and the m(d)date [or m(d-1) if d is a Roll Date] minus 4 years; and,
- (ii) the basis, 360 days.

Let sw(d) be the swap rate in euro, starting on d date and maturing on m(d) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. sw(d) fixings are observed on Bloomberg's CMPL contributor.

Let swa(d) be the swap rate in euro, starting at d date and maturing at m(d-1) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. swa(d) fixings are observed on Bloomberg's CMPL contributor.

3.2.2 Base currency

The base currency of the Exane Index is the euro.

3.2.3 Interest rate swap

The Interest Rate Swap is a swap with duration of almost five years:

- Paying the Eonia variable rate
- Receiving the fixed swap rate

Between two consecutive dates, the change in the value of the Interest Rate Swap breaks down into a change in the value of accrued interest and the change in the valuation of the Interest Rate Swap excluding accrued interest.

- The change in the valuation of accrued interest, also called ChangeAI (d) is defined as follows:
 - If d is the first London trading day following a Roll Date

$$\text{ChangeAI}(d) = (\text{sw}(d-1) - 0.005\%) \times \frac{N(d-1,d)}{360} - \left(\frac{\text{EONCAP}(d)}{\text{EONCAP}(d-1)} - 1 \right)$$
 - Otherwise

$$\text{ChangeAI}(d) = \text{sw}(d-1) \times \frac{N(d-1,d)}{360} - \left(\frac{\text{EONCAP}(d)}{\text{EONCAP}(d-1)} - 1 \right)$$
- The change in the valuation excluding accrued interest of the Interest Rate Swap, also called ChangeSwapRate (d), is defined in three ways:
 - If d is a Roll Date

$$\text{ChangeSwapRate}(d) = [\text{sw}(d-1) - (\text{swa}(d) + 0.005\%)] \times \left[\frac{P(d)}{(1 + \text{swa}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{swa}(d))^i} \right]$$

- if d is the London trading day following a Roll Date:

$$\text{ChangeSwapRate}(d) = [(\text{sw}(d-1) - 0.005\%) - \text{sw}(d)] \times \left[\frac{P(d)}{(1 + \text{sw}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{sw}(d))^i} \right]$$

- in the other cases

$$\text{ChangeSwapRate}(d) = [\text{sw}(d-1) - \text{sw}(d)] \times \left[\frac{P(d)}{(1 + \text{sw}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{sw}(d))^i} \right]$$

3.3 Calculation Formulae

Index Calculation is carried out by iteration according to the following formula

Index(0)=1000

Index(d + 1) =

$$\text{Index}(d) \times \left(1 - \frac{F}{252}\right) \times \left\{ \frac{\text{CreditIndex}(d+1)}{\text{CreditIndex}(d)} + (\text{ChangeSwapRate}(d+1) + \text{ChangeAI}(d+1)) \times \frac{\text{EONCAP}(d+1)}{\text{EONCAP}(d)} \right\}$$

F is equal to 0.35% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.20% thereafter.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5 Publication

Any information on the Exane Indices is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXM> as indicated below:

Source		Exane Index European High Yield Credit
Bloomberg	Page	ALLX EXDM
	Code	EXDMEHYC

APPENDIX

The Composition and Weighting of the Index Components on 29 August 2014, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Itraxx Crossover 5Y Total Return	ITRXTX5I	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates that the value of the Index be calculated based on predetermined rules set out in the Index Calculation Methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection or its calculation.

The impartiality and independence of the Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Green Energy”

1. Introduction

The “**Exane Green Energy**” Index is made up of funds selected by Advanced Fund Analysis in order to offer an investment strategy giving dynamic and selective exposure to “Green Energy” themed funds. Advanced Fund Analysis (“AFA”) is a specialist in the quantitative analysis of funds.

Within the Index, income and profits are not reinvested.

The “**Exane Green Energy**” Index is Proprietary Index as stated in the Base Prospectus and shall be referred to as “**Exane Index**”.

The Index was created on 19 November 2004.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Calculation Agent.

2. Objectives

The wide range of funds available means investors need strict methodology to select the best funds. The funds are selected by AFA based on a quantitative approach that meet risk and return criteria.

This Index meets three requirements:

- A vehicle investable in a limited number of funds selected from a large and open universe.
- Use a specifically designed quantitative methodology to select funds.
- Revise Index constituents at pre-determined periods to make the selection process dynamic.

3. Construction and calculation rules of the Exane Index

3.1 Selection of the Exane Index components

The Index’s construction is based on the following principles:

- Select funds with assets under management and track records that meet minimum criteria.
- Include only funds selected quantitatively by Advanced Funds Analysis.
- Only use funds that accept investments coming from structured products on funds and that meet regulatory constraints.

The number of funds in the Index is defined by the Technical Committee based on the results of the AFA analysis.

A fund management firm cannot have more than one component in the Index.

The composition and weighting of the Exane Index at the latest Rebalancing Date are available in the appendix of this Specific Methodology.

3.2 Technical Eligibility Criteria

To be included in the Index, the fund must:

- offer daily NAV;
- have a track record of least one year and a minimum of EUR 75m worth of assets under management;
- be denominated in euros, the Index’s currency.
- not be in an exclusion list provided by the compliance department of the Exane group.

“AFA” selects funds based on quantitative criteria. The criteria are divided into several categories:

- Returns
- Risk
- Returns adjusted for risk
- Return track record

The Technical Committee will only select funds whose investment companies accept to be included in structured products. The various regulatory constraints will be taken into account.

The order of preference of funds selected by AFA will be strictly adhered to during this qualitative filter.

Qualitative criteria are intended solely to protect the exclusive interest of holders.

3.3 Calculation rules

3.3.1 Weighting

The “Exane Green Energy” Index is equally-weighted at each Rebalancing Date by the Technical Committee at each Technical Committee Meeting.

3.3.2 Reinvestment of income and profits of an Index Component

The “Exane Green Energy” Index is calculated without ordinary dividends reinvested.

3.3.3 Currency and foreign exchange risk

The currency of the Exane Index is the euro.

The foreign exchange risk is not hedged. The stocks in the sample have an impact through their prices in euro and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4 Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “**Calculation Method of the Exane Indices**” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to **0%**
- ⇒ Clause 4.1.2 cont. “**Market weighting of the Index Components at each Rebalancing Date**” will apply
- ⇒ Clause 4.2 “**Mechanism specific to reinvestment of income and profits of an Index Component**” will not only apply.

4. The Technical Committee

4.1 List of Technical Committee member

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database
Pierre Hervé		AFA consultant

4.2 Regular Meetings

The Exane Index is established by a Technical Committee. The Technical Committee convenes on a quarterly basis.

The Technical Committee:

- Is responsible for the management rules, their application, and if required any changes, in particular the number of components of the Index;
- Guarantees the calculation process

The funds in the Index are reviewed on a quarterly basis (1 June, 1 September, 1 December and 1 March).

Any changes made to the Index (additions, removals, changes in coefficients) will be made available to investors. The effective date is one week after the consultation date.

The Technical Committee retains the right to change the frequency of Index changes.

4.3 Extraordinary Meetings

If an exceptional event on a Fund Instrument occurs, an Extraordinary Meeting of the Technical Committee may be convened. The Technical Committee shall base its decision only in the interest of the smooth running of the Exane Index and after consultation of Equity Research.

5. Publication

Any information regarding Exane Indices is available on the website www.exane.com. The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page “ALLX EXDM” as indicated below:

	Exane Index
Bloomberg Code	EXDMIEV

APPENDIX

The Composition and Weighting of the Index Components on 20 April 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Sarasin New Energy Fund	LU0121747215	20.00
PICTET FUNDS LUX-CLN ENERG-I EUR	LU0312383663	19.95
BlackRock Global Funds - World Energy Fund	LU0171301533	19.85
BGF-New Energy Fund	LU0171289902	20.18
RobecoSAM Smart Energy Fund-B Euro	LU0175571735	20.02

Disclaimer: Conflicts of interest

The calculation and publication of the values of the Exane Green Energy Index (hereafter individually the Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index calculation process.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:
<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Investment Grade Credit Market”

1. Introduction

The “Exane Investment Grade Credit Market” index is a performance index composed of a systematic strategy that consists in selling protection on the credit derivatives market and a synthetic investment in the long-term yield curve via indexing to a long interest rate position.

The Exane Investment Grade Credit Market index is a Proprietary Index as per the applicable Base Prospectus (available on the issuer’s website www.exane.com/exaneissues) hereafter referred to as the “Exane Index”.

The Creation Date of the Exane Index is 29 August 2014; its value at creation was 1,000 euro.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to benefit from the spreads paid by buyers of hedging on European investment grade issuers and the exposure to the yield curve via synthetic exposure to a swap (“Interest Rate Swap”).

3. Construction and calculation rules of the Exane Index

3.1 Selection of the Index Components

The components of the Exane Index are:

- In order to benefit from the credit spreads
 - A credit index (“Credit Index”): the Itraxx europe 5 year long total return, available on Bloomberg page ITRXTE5I Index, designed by Markit to reflect a reiterated investment on the credit risk of a basket of tens of issuers.
- In order to benefit from the exposure to the yield spread
 - A capitalisation index (“Capitalisation Index”) in euro available on Bloomberg page EONCAPL7 Index, used to determine the variable paying leg of the Interest Rate Swap
 - Swap rates on the Bloomberg pages EUSWE4 CMPL Curncy, EUSWE5 CMPL Curncy and EUSWE6 CMPL Currency, which determine the fixed received leg in the Swap Rate.

3.2 Calculation principle

3.2.1 Definitions

Let d be a trading day and $N(d-1, d)$ the number of calendar days between $d-1$ and d .

A series is a list of issuers corresponding to the Credit Index and published on Bloomberg page DES of the ITRX EUR CDSI GEN 5Y MKIT Corp. Each series has a starting date and a maturity date.

The series change every 20 March and 20 September (or the next London trading day), which are the Roll Dates. At each Roll Date, a new series is created. The current series (“the series”) is associated to a given d date.

Let $\text{CreditIndex}(d)$ be the value of the Credit Index at d date.

Let $\text{EONCAP}(d)$ be the value of the Capitalisation Index at d date.

Let $m(d)$ be the maturity of the Series on d date. Note that if d is a Roll Date, $m(d)$ is the maturity of the new Series.

Let $P(d)$ be the portion of year between:

d date, and the date corresponding to $m(d)$ minus 4 years,

where: d date, and the date corresponding to $m(d-1)$ minus 4 years, if d is a Roll Date,

Calculated as the ratio between:

(i) the number of calendar days between the d date and the m(d)date [or m(d-1) if d is a Roll Date] minus 4 years;
and (ii) the basis is 360 days.

Let sw(d) be the swap rate in euro, starting on d date and maturing on m(d) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. sw(d) fixings are observed by Bloomberg's CMPL contributor.

Let swa(d) be the swap rate in euro, starting at d date and maturing at m(d-1) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. swa(d) fixings are observed by Bloomberg's CMPL contributor.

3.2.2 Base currency

The base currency of the Exane Index is the euro.

3.2.3 Interest rate swaps

The Interest Rate Swap is a swap with a duration of almost five years:

- Paying the Eonia variable rate
- Receiving the fixed swap rate

Between two consecutive dates, the change in the value of the Interest Rate Swap breaks down into a change in the value of accrued interest and the change in the valuation of the Interest Rate Swap excluding accrued interest.

- The change in the valuation of accrued interest, also called ChangeAI (d) is defined as follows:

$$\begin{aligned} \text{ChangeAI}(d) &= (\text{sw}(d-1) - 0.005\%) \times \frac{N(d-1,d)}{360} - \left(\frac{\text{EONCAP}(d)}{\text{EONCAP}(dNCA)} - 1 \right) \\ &\quad \text{If } d \text{ is the first London trading day after a Roll Date} \\ \text{ChangeAI}(d) &= \text{sw}(d-1) \times \frac{N(d-1,d)}{360} - \left(\frac{\text{EONCAP}(d)}{\text{EONCAP}(dON)} - 1 \right) \\ &\quad \text{Otherwise} \end{aligned}$$

- The change in the valuation of the Interest Rate Swap excluding accrued interest, also called ChangeSwapRate (d), is defined in three ways:
 - If d is a Roll Date

$$\text{ChangeSwapRate}(d) = [\text{sw}(d-1) - (\text{swa}(d) + 0.005\%)] \times \left[\frac{P(d)}{(1 + \text{swa}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{swa}(d))^i} \right]$$

- if d is the London trading day following a Roll Date:

$$\text{ChangeSwapRate}(d) = [(\text{sw}(d-1) - 0.005\%) - \text{sw}(d)] \times \left[\frac{P(d)}{(1 + \text{sw}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{sw}(d))^i} \right]$$

- in the other cases

$$\text{ChangeSwapRate}(d) = [\text{sw}(d-1) - \text{sw}(d)] \times \left[\frac{P(d)}{(1 + \text{sw}(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + \text{sw}(d))^i} \right]$$

3.3 Calculation Formulae

Index Calculation is carried out by iteration according to the following formula

$$\text{Index}(0)=1000$$

$$\text{Index}(d + 1) = \text{Index}(d) \times \left\{ \frac{\text{CreditIndex}(d + 1)}{\text{CreditIndex}(d)} + (\text{ChangeSwapRate}(d + 1) + \text{ChangeAI}(d + 1)) \times \frac{\text{EONCAP}(d + 1)}{\text{EONCAP}(d)} \right\}$$

4. Technical committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Indices is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXM> as indicated below:

Source		Exane Investment Grade Credit Market index
Bloomberg	Page	ALLX EXDM
	Code	EXDMIGCM

APPENDIX

The Composition and Weighting of the Index Components on 29 August 2014, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Itraxx Crossover 5Y Total Return	ITRXTX51	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates that the value of the Exane Index be calculated based on predetermined rules set out in the Index Calculation Methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection or its calculation.

The impartiality and independence of the Exane Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Proxy ECI Euro (RI)”

1. Introduction

The Exane Proxy ECI Euro (RI) index is a performance index made up of stocks and a credit index.

The Exane Proxy ECI Euro (RI) index is a Proprietary Index as stated in the Base Prospectus applicable (available on the www.exane.com/exaneissues website) and shall be referred to as the “Exane Index”.

The Exane Index was created on 29 August 2014 with a value of EUR10,000.00

Any terms in uppercase shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Calculation Agent.

2. Objectives

The Exane Eurozone Convertible Bond index (Bloomberg code: EZCIEZCI) is a convertible bonds index of the ECI indices range, which is managed by an external independent technical committee.

The components of the Exane Eurozone Convertible Bond index will be referred to individually as the “EZCI Component”.

The objective of the Exane Index is to attempt to quantitatively approach the performance of the Exane Eurozone Convertible Bond index using stocks and a credit index.

3. Construction and calculation rules of the Exane Index

3.1 Selection of the Exane Index components

The Index is made up of the following assets (“Exane Index Components”):

- Equity Instruments (“Exane Index Equity Components”) with nonzero equity delta for at least one of the convertible bonds within the Exane Eurozone Convertible index meeting the Technical Eligibility Criteria below,
- A proprietary credit index (the “Exane Index Credit Component”), the Exane Investment Grade Credit Market index (BBG code: EXDMIGCM).

The minimum number of Index Components is 2 (at least one stock and the credit index).

The make-up of the Exane Index on the last Rebalancing Date can be found in the appendix of the Specific Methodology.

3.2 Calculation rules

3.2.1 Weightings

At each Regular Meeting, the Calculation Agent determines the weightings of the components:

- The weight of an Exane Index Equity Component is equal to the product of:
 - The weight of the EZCI Component within the Exane Eurozone Convertible index, and
 - The average of the equity delta of this EZCI Component over the five trading days prior to the Regular Meeting

Note: if several EZCI Components have a nonzero equity delta for the same Exane Index Equity Component, the weight of the Exane Index Equity Component will be the sum of these equity deltas.
- The weight of the Exane Index Credit Component is equal to:

(100% - Sum of weights of the Exane Index Equity Components), it is always positive.

3.2.2 Reinvestment of interest and income

The Exane Index is calculated with the reinvestment in the Exane Index of the interest and income (after tax if applicable), converted into the Reference Currency.

3.2.3 Reference Currency and foreign exchange risk

The Currency of the Exane Index is the euro.

Foreign exchange risk is not hedged. The Exane Index Components are accounted for at the price in euro, and can be converted as described in Appendix 1 of the General Methodology under “Exane Indices Calculation Method”.

3.3 Calculation Formulae

The Calculation Agent of the Exane Index will use the formulae described in Appendix 1 of the General Methodology under “Exane Indices Calculation Method” and will apply the following parameters:

- ⇒ Index Fees “F” are equal to 0.25%.
- ⇒ $n(t)$ shall be expressed in number of trading days
- ⇒ B shall be expressed in number of trading days and be equal to 252
- ⇒ The 4.1.2 clause “Reweighting of the Index Components on each Rebalancing Date” shall apply
- ⇒ The 4.2 clause “Reinvestment of interest and income from an Index Component” shall apply.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

4.2 Regular Meeting

The Regular Meeting takes place on the last trading day of each week or at each change in EZCI Components.

The purpose of the Regular Meeting is the selection of the Index Components based on the terms described in section 3 above.

4.3 Extraordinary Meeting

If an exceptional event occurs on one of the Exane Index Components or in the event of a fluctuation in the price of the Exane Index Component which exceeds 10% between two Calculation Dates of the Index, an Extraordinary Meeting of the Technical Committee may be organised. The selection of the Exane Index Components may then be updated based on the terms described in section 3 above. In order to avoid any conflict of interest the Technical Committee shall base its decision only in the interest of the smooth running of the Exane Index.

5. Publication

Any information regarding Exane Indices is available on the www.exane.com website.

The latest valuations of the Exane Indices, including performance and 1-year volatility, are available on Bloomberg page <ALLX EXDM>, as indicated below:

	Exane Index

Bloomberg Code	EXDMEPEE

APPENDIX

The composition and Weighting of the Index Components on 19 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Cap Gemini	FR0000125338	1.45
Casino	FR0000125585	0.33
Alcatel-Lucent	FR0000130007	2.01
Michelin B	FR0000121261	0.43
Peugeot	FR0000121501	1.64
Kering	FR0000121485	2.15
Unibail-Rodamco (Amsterdam)	FR0000124711	0.66
Axa	FR0000120628	0.00
Eurazeo	FR0000121121	0.81
Iberdrola	ES0144580Y14	0.83
GDF SUEZ (France)	FR0010208488	1.43
Technip	FR0000131708	0.21
Adidas	DE000A1EWWW0	0.79
Fresenius Medical Care	DE0005785802	1.17
Acciona	ES0125220311	0.99
Sampo	FI0009003305	0.41
GBL (ex Electrafina)	BE0003797140	0.39
Fonciere des regions	FR0000064578	1.73
Deutsche Post	DE0005552004	4.25
Snam SpA (Italie)	IT0003153415	2.73
Azimut Holding SPA (Italie)	IT0003261697	0.66
Deutsche Wohnen B	DE000A0HN5C6	2.05
Fresenius SE & Co KGaA (ALL)	DE0005785604	1.78
GALP Energia (Lisbonne)	PTGAL0AM0009	1.00
Prysmian	IT0004176001	0.49
CaixaBank	ES0140609019	1.34
Suez Environnement SA	FR0010613471	0.72
EVONIK INDUSTRIES AG	DE000EVNK013	2.20
LEG Immobilien AG	DE000LEG1110	1.00
Panier Immofinanz - BUWOG	na	0.66
Exane Investment Grade Credit Market Index	EXDMIGCM	63.69

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings, drawn from the ECI Euro Index;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from of the ECI Euro, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the technical committee independent from Exane Group. The impartiality and independence of the Index calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address: <https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Europe USD”

1. Introduction

The “**Exane Q-Rate Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQRAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Europe (RI) Index (Bloomberg code: EXDMQRAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD FD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD FD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

Therefore, as per the above description, the Index on a date t namely "Index(t)", following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where:

QRt is the value of Exane Q-Rate Europe (RI) (in Euro) on date t (respectively QRd on date d),

IEt is the value of the Euro Index (in Euro) on date t (respectively YId on date d),

FFt is the value of the Dollar Index on date t (respectively FFd on date d),

FXt is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 10 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Atos Origin	FR0000051732	6.11
Infineon	DE0006231004	6.11
Ashtead Group	GB0000536739	6.11
Eonia Capitalization Exane	EONCAPL7	-108.94
Neste Oyj	FI0009013296	6.11
Sodexo	FR0000121220	6.11
Publicis Groupe	FR0000130577	6.11
National Grid	GB00B08SNH34	6.11
Dixons Carphone PLC	GB00B4Y7R145	6.11
ITV PLC	GB0033986497	6.11
WPP Group	JE00B8KF9B49	6.11
Groupe Eurotunnel	FR0010533075	6.11
Ryanair	IE00B1GKF381	6.11
Persimmon	GB0006825383	6.11
INTERNATIONAL CONSOLIDATED AIRLINES GROUP	ES0177542018	6.11
Terna	IT0003242622	6.11
RTL Group SA	LU0061462528	6.11
Daimler	DE0007100000	6.11
fed fund exane Total return	DBDUFD	105.04

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan EURO”

1. Introduction

The “**Exane Q-Rate Japan EURO**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 15 January 2014 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the Euro.

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the Euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index, (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”).

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate Japan (RI) converted into euros based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in Euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg

EURJPY=R at 17.45, Paris time.

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely "Index(t)", following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where

QR_t is the value of Exane Q-Rate Japan(RI) (in Yen) on date t (respectively QR_d on date d),

YI_t is the value of the Yen Index (in Yen) on date t (respectively YI_d on date d),

IE_t is the value of the Euro Index on date t (respectively IE_d on date d),

FX_t is the exchange rate on date t, expressed as the number of Euro for 1 Yen (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJE

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
KDDI	JP3496400007	6.10
Eonia Capitalization Exane	EONCAPL7	95.65
Yamaha Motor Co.	JP3942800008	6.10
Konica Minolta Holdings	JP3300600008	6.10
Sekisui Chemical Co	JP3419400001	6.10
All Nippon Airways Co	JP3429800000	6.10
Idemitsu Kosan Co Ltd	JP3142500002	6.10
NEC	JP3733000008	6.10
Toyota Industries	JP3634600005	6.10
Obayashi Corp	JP3190000004	6.10
Kuraray Co	JP3269600007	6.10
Casio Computer	JP3209000003	6.10
MITSUBISHI ELECTRIC CORP	JP3902400005	6.10
Toyota Motor	JP3633400001	6.10
JPY Overnight (JJ) Mid (action)	DBDCJPON	-93.31
Toshiba	JP3592200004	6.10
West Japan Railway	JP3659000008	6.10
Fuji Heavy Industries	JP3814800003	6.10

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan USD”

1. Introduction

The “Exane Q-Rate Japan USD” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a U.S. Dollars-denominated capitalisation index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of U.S. Dollars 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is included in available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Japan (RI) Index converted into USD based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where

QR_t is the value of Exane Q-Rate Japan(RI) (in Yen) on date t (respectively QR_d on date d),

YI_t is the value of the Yen Index (in Yen) on date t (respectively YI_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Yen (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee member

Membres	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJU

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Toyota Motor	JP3633400001	6.19
Casio Computer	JP3209000003	6.19
fed fund exane Total return	DBDUFD	99.12
Konica Minolta Holdings	JP3300600008	6.19
Toshiba	JP3592200004	6.19
Yamaha Motor Co.	JP3942800008	6.19
Obayashi Corp	JP3190000004	6.19
NEC	JP3733000008	6.19
Kuraray Co	JP3269600007	6.19
KDDI	JP3496400007	6.19
West Japan Railway	JP3659000008	6.19
Fuji Heavy Industries	JP3814800003	6.19
Sekisui Chemical Co	JP3419400001	6.19
mitsubishi electric corp	JP3902400005	6.19
Toyota Industries	JP3634600005	6.19
All Nippon Airways Co	JP3429800000	6.19
JPY Overnight (JJ) Mid (action)	DBDCJPON	-98.24
Idemitsu Kosan Co Ltd	JP3142500002	6.19

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate US EURO”

1. Introduction

The “**Exane Q-Rate US EURO**” is a performance Index composed of:

- an investment in the Exane Q-Rate US (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the Fed Fund Index for borrowing.

The Exane Q-Rate US EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of EUR 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate US (RI) Index with dynamic hedging against a variation in the U.S. Dollar against the euro.

The Exane Q-Rate US (RI) Index is denominated in U.S. Dollars. It is available on Bloomberg EXDMQRUR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the dollar and a lending position on the euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate US (RI) Index (Bloomberg code: EXDMQRUR)
- the Fed Fund Index (Bloomberg code: DBDUFD FD Index) (the “**Dollar Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate US Index converted into euros based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into dollars (based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time) is systematically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFD FD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly Weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate US (RI) index based on the exchange rate available on Bloomberg

EURUSD=R at 17.45, Paris time.

On the same date, this amount is converted into dollars and synthetically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFDFD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely "Index(t)", following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(FF_t \times FX_t)}{(FF_d \times FX_d)} \right]$$

Where

QR_t is the value of Exane Q-Rate US (RI) (in US Dollar) on date t (respectively QR_d on date d),

FF_t is the value of the Dollar Index (in US Dollar) on date t (respectively FF_d on date d),

IE_t is the value of the Euro Index on date t (respectively IE_d on date d),

FX_t is the exchange rate on date t, expressed as the number of Euro for 1 US Dollar (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate US EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRUE

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in%)
Home Depot	US4370761029	4.03
VULCAN MATERIALS	US9291601097	4.03
Expeditors International Washington	US3021301094	4.03
Eonia Capitalization Exane	EONCAPL7	99.52
Reynolds American	US7617131062	4.03
Scripps Networks Interactive Inc	US8110651010	4.03
Comcast Corp	US20030N2009	4.03
Gilead Sciences	US3755581036	4.03
Aetna	US00817Y1082	4.03
HCA Holdings Inc	US40412C1018	4.03
Ford Motor	US3453708600	4.03
Paccar	US6937181088	4.03
AVERY DENNISON	US0536111091	4.03
Sherwin Williams	US8243481061	4.03
Verizon	US92343V1044	4.03
Kimberly-Clark	US4943681035	4.03
Target	US87612E1064	4.03
Raytheon B	US7551115071	4.03
CVS Health Corp	US1266501006	4.03
fed fund exane Total return	DBDUFD	-96.23
Tyson Foods A	US9024941034	4.03

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe USD”

1. Introduction

The “**Exane Q-Rate Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate 15 Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 16 March 2015, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate 15 Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate 15 Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQMAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Europe (RI) Index (Bloomberg code: EXDMQMAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD7 Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate 15 Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD7 at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate 15 Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where

QR_t is the value of Exane Q-Rate 15 Europe (RI) (in Euro) on date t (respectively QR_d on date d),

IE_t is the value of the Euro Index (in Euro) on date t (respectively IE_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate 15 Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQMAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 19 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Sodexo	FR0000121220	5.940
Lagardere	FR0000130213	5.940
Taylor Wimpey	GB0008782301	5.940
National Grid	GB00B08SNH34	5.940
Barratt Developments	GB0000811801	5.940
Ryanair	IE00B1GKF381	5.940
Daimler	DE0007100000	5.940
Groupe Eurotunnel	FR0010533075	5.940
Persimmon	GB0006825383	5.940
Infineon	DE0006231004	5.940
Ashtead Group	GB0000536739	5.940
Fraport	DE0005773303	5.940
Babcock International	GB0009697037	5.940
ITV PLC	GB0033986497	5.940
Terna	IT0003242622	5.940
fed fund exane Total return	DBDUFD	99.324
Eonia Capitalization Exane	EONCAPL7	-100.296
ICA Gruppen AB	SE0000652216	5.940
RTL Group SA	LU0061462528	5.940

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

DESCRIPTION OF THE ISSUER: EXANE FINANCE

Corporate name, registered office and date of formation

The corporate name of the issuer is **Exane Finance SA** (the **Company** or **Exane Finance**, for the purposes of this section).

The Company is a French law corporation (*société anonyme*), having its registered offices at 16, avenue Matignon –75008 Paris – France, and identified under number 339 563 215 RCS Paris.

Its telephone number is + 33 (0)1 44 95 40 00.

The Company was incorporated on 10 October 1991 for a term that expires on 10 October 2090.

Corporate purpose

Pursuant to article 2 of its articles of association, the principal business of the Company, within the limits set forth by the legal and regulatory provisions governing financial companies, and *"subject to the provisions of the last paragraph of this article, is to:*

- *provide, both in France and outside France, investment services, services related to investment services as defined by the applicable regulations, and banking operations, including intermediation in banking transactions, the receipt of funds from the public, credit operations and the issue of securities, and activities related to banking operations, and all financial activities not prohibited by the applicable regulations;*
- *participate, both in France and outside France, in all commercial, financial, industrial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism.*

The Company shall perform these activities which are subject, under the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company."

Preparation of the annual accounts

Each financial year starts on 1 January and ends on 31 December.

Statutory distribution of profits

From the profits of each year, less, if applicable, prior losses, are firstly withdrawn the amounts to be reserved. 5% is therefore withdrawn to constitute a legal reserve fund. This withdrawal is no longer compulsory when said fund is equal to a tenth of the capital stock. It is compulsory when, for any reason whatsoever, the reserve falls below this fraction.

The profits that may be distributed are composed of the yearly profits less prior losses and amounts reserved by law, plus positive carry-over.

On the recommendation of the Board of Directors, the general meeting may deduct from these profits, amounts it considers appropriate to affect to an endowment to any reserve fund or to accumulate profits.

The balance, if any, is distributed between all shares, in proportion to their paid-up and unredeemed amount.

Approval of annual accounts

The shareholders' Ordinary General Meeting shall approve the annual accounts.

Share capital

The share capital of the Company is 5,119,904 Euros, composed of 319,994 fully paid up ordinary shares each with a nominal value of 16 Euros.

The shares must be in registered form.

Unless otherwise provided by law, any transfer of shares to a third party, for any reason whatsoever, is subject to the approval of the board of directors, and under the conditions provided for by applicable legislative and regulatory provisions, and regulatory authorities.

The procedure for obtaining these approvals and the consequences of a refusal are those provided for by the legislation in force.

Distribution of capital

As at 31 December 2014, the shares of the Company are held as follows:

- 319,988 shares held by Exane SA
- 1 share held by Nicolas Chanut
- 1 share held by Exane Derivatives SNC
- 1 share held by Bertrand Léonard
- 1 share held by Exane Limited
- 1 share held by Benoît Catherine
- 1 share held by Exane Derivatives Gérance SNC

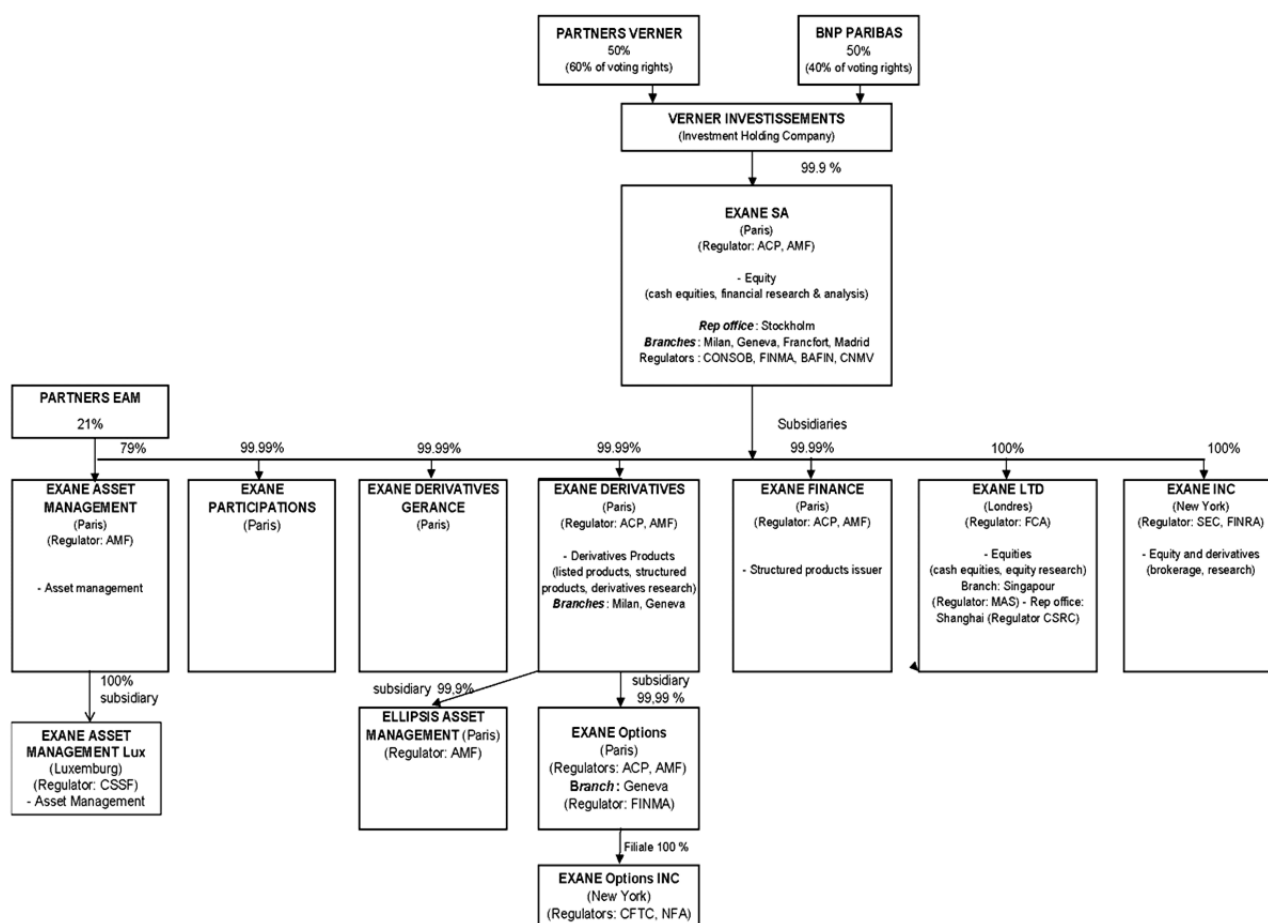
The other companies held, directly or indirectly, by Exane SA are:

- Exane Derivatives SNC
- Exane Asset Management SAS
- Exane Limited
- Exane Inc.
- Exane Options SA (99.9% owned company by Exane Derivatives)
- Exane Options Inc. (wholly-owned company by Exane Options SA)
- Ellipsis Asset Management SAS (99.99% owned company by Exane Derivatives)
- Exane Asset Management Luxembourg (wholly-owned by Exane Asset Management SAS)
- Exane Derivatives Gérance SA
- Exane Participations SNC: a French commercial partnership managed by Exane Derivatives Gérance (having no operational activity)
- Exane Finance has no subsidiary.
- Exane Finance is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company.

Exane Finance is part of the Group: a simplified corporate structure chart appears below.

Group means Exane SA and any direct or indirect subsidiary (as defined in article L. 233-1 of the French commercial code) of Exane SA.

EXANE'S GROUP ORGANIZATION CHART
as of January 2014



In accordance with the provisions of the Ministerial Order of 3 November relating to the internal control applicable to ACPR authorised banking, payment and investment services firms, the internal control system of the Exane group is twofold: permanent control and periodic control. Central control staff are involved in all the activities of the Group.

Principal activities and the financial instruments of the Company

The principal business of the Company is the issue of debt securities (including certificates and bonds) and warrants. Exane Derivatives acts as Dealer of these issues, which then places these securities with clients.

The operations relating to these issuing activities are totally symmetrical between the issued product and the over the counter hedging transactions between Exane Derivatives and the Company. The hedging transactions with Exane Derivatives are determined at the same price as the instruments issued and subscribed. In view of this, the risks borne by the Company are managed, for internal control purposes, through the activities of Exane Derivatives.

Certain debt securities (bonds and certificates) and warrants issued by the Company and guaranteed by Exane Derivatives are admitted to trading on the regulated market on the Luxembourg Stock Exchange and/or Euronext Paris. The volumes traded on the Luxembourg Stock Exchange and/or Euronext Paris are not significant.

Exane Finance has also issued a declaration concerning freedom of services throughout the territories of the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden Romania and the United Kingdom.

No significant new business line is foreseen by the Company.

Authorisation of the Company

The Company is authorised as a credit establishment, financial company by the Resolution and Prudential Control Authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*) and is authorised, in accordance with article L. 531- 1 of the French monetary and financial code, to provide the following investment services as defined by article L. 321-1 of the French monetary and financial code: dealing on own account, portfolio management, investment advice and underwriting of financial instruments, as well as providing credit and guarantee services complementary to these services.

In exercising its business, the Company is subject to the control of the ACPR and of the *Autorité des Marchés Financiers*.

The ACPR control concerns accounting and prudential reporting based on the French applicable regulations. More specifically, in terms of prudential reporting, ratios are calculated solely on a consolidated basis. The Company does therefore not establish reporting on individual basis.

Employees

The Company has no employees.

Administrative, management and supervisory bodies

The Board of Directors of Exane Finance reviews, *inter alia*, the financial statements and the implementation of internal control procedures.

The Company does not have an audit committee.

The Company complies with its country's of incorporation corporate governance regime.

Board of Directors

The members of the Board of Directors are:

- Nicolas Chanut, Chairman and Chief Executive Officer
- Exane SA represented by Bertrand Léonard, Member of the Board of Directors
- Benoît Catherine, Member of the Board of Directors.

For the purpose of this Base Prospectus, the business address of the members of Board of Directors is 16 avenue Matignon - 75008 Paris - France.

No member of the Board carries out significant activities outside the Group.

Administrative, management and supervisory bodies, conflicts of interest

There are no potential conflicts of interests between any duties, to the Company, of any person of the Board of Directors specified above and their private interests and/or other duties.

Responsibilities of the Board of Directors

Subject to the restrictions set forth in the articles of association, the Board of Directors is responsible for the management of the Company.

Management committee

Benoît Catherine's appointment as a Chief Executing Officer was confirmed by the board of Directors held on 11 March 2015.

Mr Benoît Catherine is responsible for the management of the Company.

Auditors

The auditors of the Company are as follows:

Statutory Auditor: Deloitte et Associés
185, avenue Charles de Gaulle
92200 Neuilly
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 (renewal of the appointment) until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Bureau d'Etudes Administratives Sociales et Comptables
7-9 Villa Houssay
92200 Neuilly Sur Seine

FranceAppointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 (renewal of appointment) until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Statutory Auditor: Mazars
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Michel Barbet-Massin
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Selected financial information

In K€		31 December 2013		31 December 2014
Net Banking Income		1 752		2 388
Operating profit		1 680		2 300
Net profit		1 120		1 534
Total Assets		9 757 813		14 167 342
Total Shareholders' Equity		3 762		7 169

Investments

No specific investment has been undertaken since the date of the most recently published accounts or has been the subject of firm commitments for a future undertaking.

DESCRIPTION OF THE GUARANTOR: EXANE DERIVATIVES

Corporate Name, registered office and date of incorporation

The corporate name of the Guarantor is Exane Derivatives SNC (the **Company** or **Exane Derivatives** for the purposes of this section)

The Company is a French commercial partnership (*société en nom collectif*), having its registered office at 16, avenue Matignon – 75008 Paris – France, and identified under number 491 294 567 RCS Paris.

Its telephone number is + 33 (0)1 44 95 40 00.

The Company was set up as a *société anonyme*. It was converted into a *société en nom collectif* by a unanimous decision of the shareholders' extraordinary general meeting dated 2 March 2007.

The Company was incorporated on 1 August 2006 for a term that expires on 31 July 2105. Rating:

- 17 June 2013: the Company's long term credit rating is for: Moody's Baa2 with a stable outlook.
- 4 July 2014: the Company's long term credit rating is for: Standard & Poor's BBB+ (BBB which means, as per the definition appearing on the website of Standard & Poor's, "adequate capacity to meet financial commitments, but more subject to adverse economic conditions – note: 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") with a stable outlook and the Company's short term credit rating is for Standard & Poor's: A-2 with a stable outlook.

Moody's and Standard & Poor's are established in the European Union and are registered under the CRA Regulation, as it appears from the list published by the European Securities and Markets Authority dated 31 October 2011.

Corporate purpose

Pursuant to article 2 of its articles of association, the principal business of the Company, "*within the limits provided for by the legal and statutory provision applicable to financial companies and subject to the last provisions of this article, is to:*

- *provide, in France and abroad, investment services, services related to investment services within the meaning of applicable regulations and, within the framework of its derivatives activities, certain banking transactions complementing the investment services, such as:*
 - *the granting of loans and related securities,*
 - *the receipt of time deposits;*
- *participate, in France or abroad, in all commercial, financial, movable property and real-estate transactions howsoever relating to its corporate purpose, including via the incorporation of new companies, the contribution, subscription and purchase of securities and equity rights, mergers, partnerships or any other method.*

The Company shall perform those of its activities which are subject, within the framework of the regulations in force, to authorisation, in accordance with the requirements of the authorisation granted to it or any other authorisation granted to it in the future."

Preparation of the annual accounts

Each financial year starts on 1 January and ends on 31 December.

Statutory distribution of profits

The profit and loss account shall show the annual profit or loss in accordance with the statutory provisions in force at the time.

Distributable profit shall be determined in accordance with the statutory provisions in force, *inter alia*, after deduction of all mandatory charges, levies and provisions pursuant to the statutory provisions in force.

This profit shall be at the disposal of the partners which, in accordance with the statutory provisions in force, may decide to carry it forward, allocate it to any general or special reserve, use it to distribute dividends and/or use it for any other purpose not prohibited by the statutory provisions in force.

The partners may further decide, in accordance with the statutory provisions in force, to distribute any other available amounts pursuant to the said provisions; in such event, the decision taken shall expressly indicate the accounts from which the amounts are to be taken.

The sums made available for distribution shall be divided among the partners in proportion to the amount of share capital held by each partner.

Losses, if any, shall be governed by the provisions of these articles of association that do not breach the mandatory statutory provisions applicable to the Company and, if the articles of association are silent in this respect, by the statutory provisions applicable to the Company.

The management may decide to distribute interim dividends before approval of the annual financial statements in accordance with the statutory provisions in force at the time.

Approval of the annual accounts

The partners' Ordinary General Assembly shall approve the annual accounts.

Share capital

The share capital is of 17,248,320 Euros, composed of 1,724,832 fully paid-up shares and each with a nominal value of 10 Euros.

All shares must be registered shares.

Unless otherwise stipulated by law, any transfer of shares to a third party, for any reason whatsoever, is subject to the approval of all the partners.

Distribution of capital

When the Company was incorporated as a *société anonyme*, the share capital was of 37,000 Euros, composed of 3,700 fully paid-up shares and each with a nominal value of 10 Euros, one of which being held by Exane Finance SA and the remaining 3,699 shares being held by Exane SA.

On 2 March 2007, further to the conversion of the Company into a *société en nom collectif*, the share capital was increased to 15,037,000 Euros, divided up as follows:

- 1 share held by Exane Finance SA,
- 1,503,699 shares held by Exane SA.

On 30 April 2008, further to the contribution of the shares of Exane Options, which became a wholly-owned subsidiary of the Company, the share capital was increased to 17,248,320 Euros, divided up as follows:

- 1 share held by Exane Finance,
- 1,742,831 shares held by Exane SA.

The other companies held, directly or indirectly, by Exane SA are:

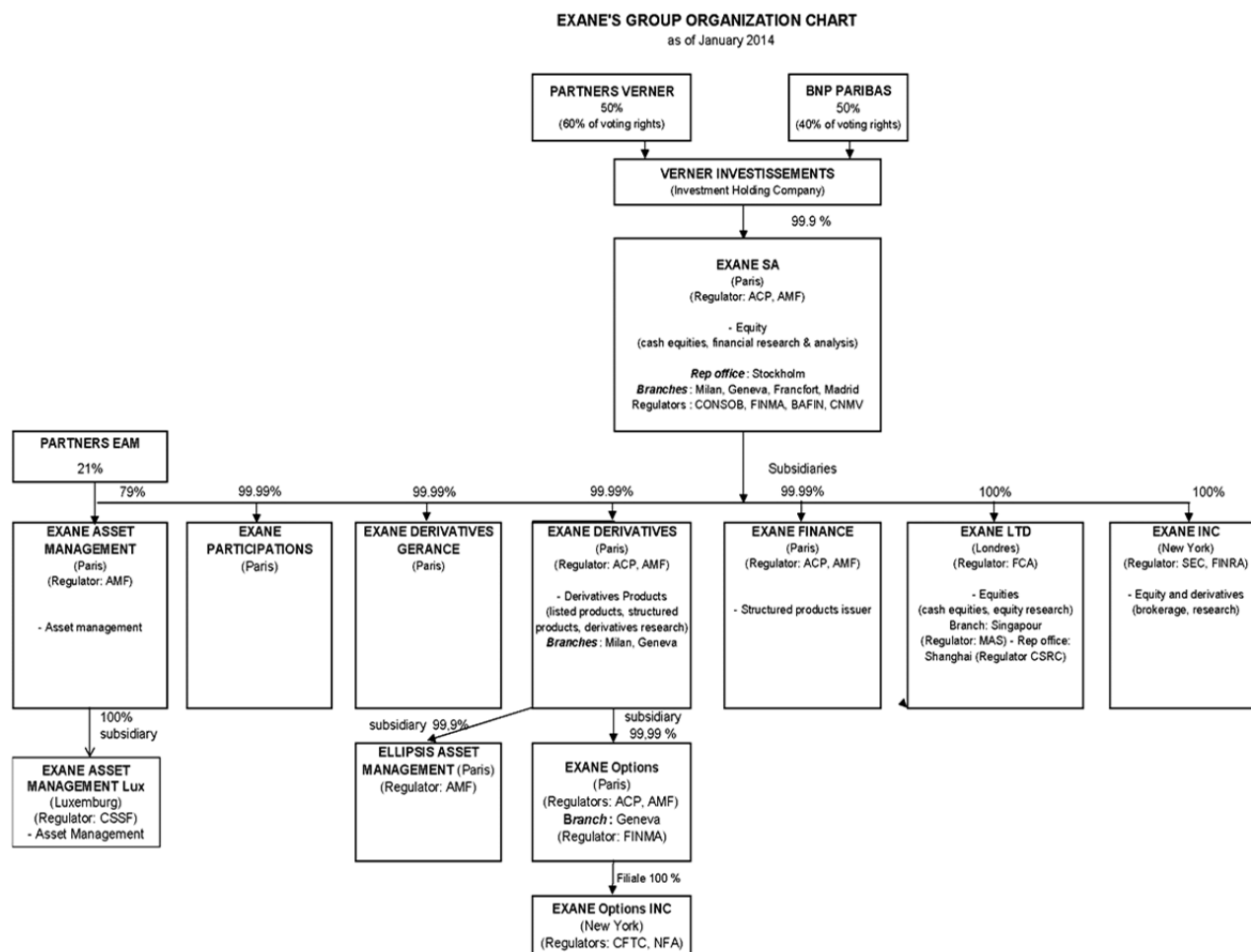
- Exane Finance SA
- Exane Asset Management SAS
- Exane Asset Management Luxembourg SA (wholly-owned by Exane Asset Management SAS)
- Exane Limited
- Exane Inc
- Ellipsis Asset Management SAS (99.99% owned company by Exane Derivatives)
- Exane Options (a company 99.99% owned by Exane Derivatives)
- Exane Options Inc (a company wholly owned by Exane Options).
- Exane Derivatives Gérance SA
- Exane Participations SNC: a French commercial partnership managed by Exane Derivatives Gérance without any operational activity.

The Company has two subsidiaries, each 99.9% owned: Ellipsis Asset Management and Exane Options.

The Company is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company.

The Company forms part of the Group: a simplified Group structure chart appears below.

Group means Exane SA and any direct or indirect subsidiary (as defined in article L. 233-1 of the French commercial code) of Exane SA.



In accordance with article 6 of the CRBF 97-02 regulation, the internal control system of the Exane group is twofold: permanent control and periodic control. Central control staff are involved in all the activities of the Exane group.

Principal activities and the financial instruments market of the Company

The Company distributes, among others, debt securities (bonds and certificates) and warrants in France and abroad

The Company has also issued a declaration concerning the freedom of services throughout the territories in the following countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Spain, Estonia, Finland, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Slovenia and Sweden.

Structure of the Company

The Company is authorised as a credit institution, financial company by the Resolution and Prudential Control Authority

(*Autorité de Contrôle Prudentiel et de Résolution – ACPR*) and is authorised, in accordance with article L. 531-

1 of the French monetary and financial code, to provide the following investment services as defined by article L. 321-1 of the French monetary and financial code: reception and transmission of orders on behalf of clients, execution of orders on behalf of clients, dealing on own account, investment advice, underwriting of financial instruments, placing of financial instruments on a firm commitment basis and placing of financial instruments without a firm commitment basis, as well as granting credit and guarantees associated with the above-mentioned investment services and the reception of forward deposits complementary to such services.

In exercising its business, Exane Finance is subject to the control of the ACPR and of the *Autorités des Marchés Financiers*.

This control concerns accounting and prudential reporting based on the French applicable CRBF regulations. More specifically, in terms of prudential reporting, ratios are calculated solely on a consolidated basis. The Company does therefore not establish reporting on an individual basis.

The Company is authorised to provide certain investment services within the meaning of article L.321-1 of the French monetary and financial code, as explained above, as well as, within the scope of its derivatives activities, a number of banking operations complementary to provision of investment services, such as granting of related credits and guarantees and the reception of forward deposits.

The Company also distributes to its customers the debt instruments (bonds and certificates) issued by Exane Finance, and unwritten by the Company or by any other Dealer appointed in the relevant Final Terms and manages the positions.

The Company carries out brokering activities on listed derivatives products on behalf of institutional customers and carries out proprietary transactions of listed securities and derivatives.

Furthermore, the Company has the following offices abroad:

- Geneva: a branch of Exane Derivatives carrying out an equity derivatives business
- Milan: a branch of Exane Derivatives carrying out an equity derivatives business.

History

The Company was created to serve as the beneficiary of the contribution of the derivatives business of Exane SA, which occurred on 2 March 2007.

Employees

As of 31 December 2013 and as of 31 December 2014, the Company had 202 employees.

Management

Exane Derivatives Gérance (as defined below), acting as manager of the Company, reviews the financial statements and the implementation of internal control procedures.

The Company complies with its country of incorporation corporate governance regime.

The Company is managed by one or more managers (the **Management**) who may but need not be partners.

The Manager of the Company is Exane Derivatives Gérance, itself represented by Nicolas Chanut, Chairman and Chief Executive Officer.

The address of Exane Derivatives Gérance is 16, avenue Matignon – 75008 Paris – France. The Management does not carry out significant activities outside the Group.

Subject to the restrictions set forth in the articles of association, the Management shall be responsible for the administration of the Company.

There are no potential conflicts of interests between any duties, to the Company, the Management and their private interests and/or other duties.

Auditors

The auditors of the Company are as follows: Statutory Auditors: Deloitte et Associés
185, avenue Charles de Gaulle
92200 Neuilly

France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012 for a six year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Bureau d'Etudes Administratives Sociales et Comptables

7-9, villa Houssay
92200 Neuilly
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a six year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Statutory Auditors: Mazars
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a 6 year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Michel Barbet – Massin
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a 6 year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Selected financial information

In K€		31 December 2013		31 December 2014
Net Banking Income		125 645		145 231
Operating profit		36 119		43 441
Net profit		26 616		33 536
Total Assets		13 770 175		18 676 186
Total Shareholders' Equity		45 667		79 203

Investment

No investment has been made since the last audited accounts or no firm commitments have been made regarding future investments.

TAXATION

The following section provides information, on taxes on the income from the Securities withheld at source in respect of (i) the country of the registered office of the Issuer and (ii) the countries where offers of Securities to the public may be made or admission to trading may be bought.

The following information provided below does not purport to be a complete overview of the tax laws. Potential purchasers of Securities are advised to consult their own tax advisers as to the tax consequences of transactions involving Securities.

SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

AUSTRIAN TAXATION

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (Investmentfondsgesetz 2011)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- (i) income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- (ii) income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- (iii) income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index Certificates.

Also the withdrawal of the Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Securities vis-à-vis other countries, e.g., a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (cf. sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at a flat rate of 25%. In both cases upon application the option exists to tax all income subject to income tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest and other claims vis-à-vis credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to income tax at the flat rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus the income is subject to withholding tax of 25%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 25%). In case of investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally income tax at the flat rate of 25%). In both cases upon application the option exists to tax all income subject to income tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on [income](#) in the sense of sec. 27(1) of the Austrian Income Tax Act from the Securities at a rate of 25%. In the case of income in the sense of sec. 27(1) of the Austrian Income Tax Act with an Austrian nexus the income is subject to withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Securities can be offset against other income (and carried forward).

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus the income is in general subject to withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities are attributable to such permanent establishment (cf. sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Securities if withholding tax is levied on such interest (this does not apply, inter alia, if the Issuer has neither its place of management nor its legal seat in Austria and is not acting through an Austrian branch, which condition the Issuer understands to be fulfilled in the case at hand; cf. sec. 98(1)(5)(b) of the Austrian Income Tax Act).

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on each offsetting of losses to the taxpayer.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15%; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax-if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her EU Member State of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. Pursuant to Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, interest, dividends and similar types of income as well as account balances and sales proceeds from financial assets shall in general be automatically exchanged as of 1 January 2016 with respect to taxable periods as from that date. Although Austria only will have to apply these provisions from 1 January 2017 with respect to taxable periods as from that date, it announced that it will not make full use of the derogation and will already exchange information on new accounts opened during the period 1 October 2016 to 30 December 2016 by 30 September 2017. While it was expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest

payments – would enter into effect by 1 January 2017, on 18 March 2015 the European Commission published a proposal for a Council Directive repealing Council Directive 2003/48/EC. Pursuant thereto, Council Directive 2003/48/EC shall in general be repealed with effect from 1 January 2016. However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply it until 31 December 2016.

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties Austria/Switzerland and Austria/ Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% on inter alia, interest income-, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income which subsequently has to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers mortis causa, of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Austrian Tax Reform Act 2015/2016

Recently the Austrian Ministry of Finance published draft bills of the Austrian Tax Reform Act 2015/2016 (*Steuerreformgesetz 2015/2016*) and of the Austrian Federal Constitutional Act on the Amendment of the Austrian Act on Final Taxation (*Bundesverfassungsgesetz zur Änderung des Endbesteuerungsgesetzes*). The draft bills provide that as of 1 January 2016, instead of the uniform special income tax rate of currently 25%, two special income tax rates shall be applicable, namely a special income tax rate of 25% on income from interest and other claims vis-à-vis credit institutions and a special income tax rate of 27.5% on all other investment income (save for investment income subject to the progressive income tax rate). This would, inter alia, mean that as of 1 January 2016 individuals subject to unlimited income tax liability in Austria would be subject to withholding tax at a rate of 27.5% on investment income with an Austrian nexus from the Securities and to the special tax rate of 27.5% on investment income without an Austrian nexus from the Securities.

BELGIAN TAXATION

Set out below is an overview of certain Belgian tax consequences of acquiring, holding and selling the Securities. This overview is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. In particular, it does not cover the situation of non-residents or the tax treatment of securities which may be received upon repurchase or settlement of the Securities.

This overview is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.

Any payment of interest (as defined by Belgian tax law) on the Securities made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 25 %.

If the repurchase, redemption or exercise by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Securities. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

For Belgian tax purposes, if interest is in a foreign currency, it is converted into euro on the date of payment or attribution.

Belgian income tax

Structured securities

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured securities to a third party (other than the issuer) results in taxation as interest income of the "pro rata interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the structured Securities (the "**Structured Securities**").

It is assumed that any gains realised upon redemption or repayment by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of sale to a third party (i.e. other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest".

Repayment or redemption by the Issuer

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), who are holding the Structured Securities as a private, investment are subject to the

following tax treatment with respect to the Structured Securities in Belgium. Other rules may be applicable in special situations, in particular when Belgian resident individuals acquire the Structured Securities for professional purposes or when their transactions with respect to the Structured Securities fall outside the scope of the normal management of their own private estate.

Payments of interest on the Structured Securities made through a paying agent in Belgium will in principle be subject to a 25 % withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Structured Securities in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 25 % (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the personal income tax liability.

Belgian resident companies

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are subject to the following tax treatment with respect to the Structured Securities in Belgium.

Interest received by Belgian resident companies on the Structured Securities will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 %, but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Structured Securities made through a paying agent in Belgium are in principle be subject to a 25 % withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian non-profit legal entities

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are subject to the following tax treatment with respect to the Structured Securities in Belgium.

Payments of interest on the Structured Securities made through a paying agent in Belgium will in principle be subject to a 25 % withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian non-profit legal entity itself is responsible for the deduction and payment of the 25 % withholding tax.

Sale to a third party

No Belgian withholding tax should apply to the Structured Securities.

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Structured Securities to a third party, provided that the Structured Securities have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Structured Securities held as a non-professional investment are in principle not tax deductible.

However, capital gains on the Structured Securities may be subject to a 33% Belgian income tax (plus local surcharges) if they are deemed to be speculative or outside the scope of the normal management of a private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Structured Securities held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Structured Securities held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on the Structured Securities incurred by Belgian resident individuals holding the Structured Securities for professional purposes are in principle tax deductible.

Belgian resident companies

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Structured Securities to a third party, irrespective of whether such Structured Securities relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99 %.

Capital losses realised upon disposal of the Structured Securities are in principle tax deductible.

Belgian non-profit legal entities

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Structured Securities to a third party.

Capital losses realised upon disposal of the Structured Securities are in principle not tax deductible.

Other Securities

The following summary describes the principal Belgian withholding tax considerations with respect to Securities other than Structured Securities.

For Belgian tax purposes, periodic interest income and amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) are qualified and taxable as "interest". In addition, if the Securities qualify as fixed income securities within the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, in case of a realisation of the Securities between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the holding period is also taxable as interest.

For the purposes of the following paragraphs, any such gains and accrued interest are therefore referred to as interest.

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax ("*Personenbelasting/Impôt des personnes physiques*"), and who hold the Securities as a private investment, are in Belgium subject to the following tax treatment with respect to the Securities.

Other tax rules apply to Belgian resident individuals who do not hold the Securities as a private investment.

Payments of interest on the Securities made through a paying agent in Belgium will in principle be subject to a 25 % withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Securities in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 25 % (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

Capital gains realised on the sale of the Securities are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident companies

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), are in Belgium subject to the following tax treatment with respect to the Securities.

Interest derived by Belgian resident companies on the Securities and capital gains realised on the Securities will be subject to Belgian Corporate Income Tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is 33.99 %, but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

Interest payments on the Securities made through a paying agent in Belgium are in principle be subject to a 25 % withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian non-profit legal entities

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting/impôt des personnes morales*"), are subject to the following tax treatment with respect to the Securities in Belgium.

Payments of interest on the Securities made through a paying agent in Belgium will in principle be subject to a 25 % withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian non-profit legal entity itself is responsible for the declaration and payment of the 25 % withholding tax.

Capital gains realised on the sale of the Securities are in principle tax exempt, unless the capital gain qualifies as interest (as defined). Capital losses are in principle not tax deductible.

Tax on stock exchange transactions

The sale and acquisition of the Structured Securities and other Securities is subject to a tax on stock exchange transactions ("*Taks op de beursverrichtingen/Taxe sur les opérations de bourse*") if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09% for transactions in debt instruments and at a rate of 0.27% for transactions in other securities, with a maximum amount per transaction and per party of EUR 650 for debt instruments and EUR 800 for other securities. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are not subject to the tax on stock exchange transactions.

As stated above, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

FRENCH TAXATION

The following is an overview based on the legislation as of the date of the Base Prospectus. It does not aim to be a comprehensive description of all French tax considerations that may be relevant for a decision to invest in the Securities. The tax treatment for each investor depends on the particular situation. Investors are advised to consult their professional tax advisers as to the respective French tax consequences of the purchase, ownership, disposition, exercise or settlement of the Securities in light of their particular circumstances.

Withholding tax on payments made by the Issuer

The following is an overview of certain withholding tax considerations that may be relevant to holders of debt instruments who do not concurrently hold shares of the Issuer.

Securities constituting debt instruments for French tax purposes

Securities which are not consolidated (assimilables for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues made by the Issuer with respect to Securities (other than Securities (as described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a **Non-Cooperative State**). If such payments under such Securities are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues on such Securities are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code, at a rate of 30% or 75% (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French General Tax Code nor the Deductibility Exclusion will apply in respect of a particular issue of such Securities if the Issuer can prove that the principal purpose and effect of such issue of such Securities 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 *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80, BOI-IR-DOMIC-10-20-20-60-20150320 n°10 and BOI-ANNX-000364-20120912, an issue of Securities will benefit from the Exception without the French debtor having to provide any proof of the purpose and effect of such issue of Securities, if such Securities are:

- offered by means of a public offer within the meaning of Article L. 411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a State other than 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
- 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

- 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 Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Securities consolidated (“assimilables” for the purpose of French law) with Securities issued before 1 March 2010

Payments with respect to Securities which are consolidated (*assimilables* for the purpose of French Law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French General Tax Code will be exempt from withholding tax set out under Article 125 A III of the French General Tax Code.

Such Securities issued before 1 March 2010, whether denominated in euro or in any other currency, constituting obligations under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French General Tax Code pursuant to the above-mentioned *Bulletin Officiel des Finances Publiques Impôts*.

In addition, payments by the Issuer of interest and other revenues on such Securities which are consolidated (*assimilables* for the purpose of French Law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion and hence will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French General Tax Code, interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made (subject to certain limited exceptions). Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on such interest and other assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Securities not constituting debt instruments for French tax purposes

Subject to the immediately following paragraph, payments in respect of Securities issued by the Issuer which do not constitute debt instruments for French tax purposes irrespective of their date of issue may either not be subject to French withholding tax, or else benefit from an exemption from French withholding tax provided that the beneficial owner of such Securities and the payment thereunder is resident or domiciled in France or in a country which has entered into an appropriate double taxation treaty with France and fulfils the relevant requirements set out in such double taxation treaty.

Under certain circumstances, and subject to the more favourable provisions of an applicable double tax treaty, payments in respect of such Securities may also be recharacterised as constructive dividends and subject to a withholding tax at a rate of 30% or 75% if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State.

Potential purchasers of Securities which are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or which are located or established in a Non-Cooperative State are advised to consult their

own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of or transactions involving the Securities.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled or redeemed by way of physical delivery of certain French listed shares (or certain assimilated securities).

The French financial transaction tax provided under Article 235 *ter* ZD of the French General Tax Code is applicable, subject to certain exceptions, at a rate of 0.2% to any acquisitions of equity securities (*titres de capital*) or certain assimilated equity securities, provided that they are listed on a regulated market and that they are issued by an issuer whose registered office is situated in France which has a market capitalisation in excess of 1 billion Euros on 1 December of the year preceding the acquisition. If the financial transaction tax applies to a transaction, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1% to the sale of shares issued by a company whose registered office is situated in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

Implementation of the Savings Directive in France

The Council Directive 2003/48/EC on taxation of savings income in the form of interest payments has been implemented into French law under Article 242 *ter* of the French General Tax Code, which imposes on paying agent based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including among other things the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

GERMAN TAXATION

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each Series or Tranche of Securites may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Securities, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

The section "Tax Residents" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on on-going payments and capital gains

On-going payments received by an individual holder of the Securities will be subject to German withholding tax if the Securities are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25% (plus solidarity surcharge at a rate of 5.5% thereon, the total withholding being 26.375%). If the individual holder is subject to church tax, a church tax surcharge may also be withheld.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, settlement, repayment or assignment after deduction of expenses directly related to the disposal, settlement, repayment or assignment and the cost of acquisition) derived by an individual holder provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Securities are issued in a currency other than Euro any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (i.e. without the Securities), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the settlement of interest coupons or interest claims if the Securities have been disposed of separately.

In case of a physical settlement of certain Securities which grant the Issuer or the holder the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Securities may be regarded as proceeds from the disposal, settlement, repayment or assignment of the Securities and hence as acquisition costs of the underlying securities received by the individual holder upon physical settlement; any consideration received by the holder of the Securities in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Securities into the underlying securities does not result in a taxable gain for the individual holder. However, withholding tax may then apply to any gain resulting from the disposal, settlement, repayment or assignment of the securities received in exchange for the Securities. In this case, the gain will be the difference between the proceeds from the disposal, settlement, repayment or assignment of the underlying securities and the acquisition costs of the Securities (after deduction of expenses related directly to the disposal, if any).

To the extent the Securities have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Securities have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, settlement, repayment or assignment withholding tax applies at a rate of 26.375%

(including solidarity surcharge) on 30% of the disposal proceeds (plus interest accrued on the Securities (**Accrued Interest**, *Stückzinsen*, if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Savings Directive (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Securities via the Disbursing Agent (e.g. losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Securities or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Individual holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) for all investment income received in a given year. Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Securities has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, settlement, repayment or assignment of Securities held by a corporation as holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Securities form part of a trade or business, subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of an individual holder deriving income from capital investments under the Securities is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Securities kept in custody abroad or if no Disbursing Agent is involved in the payment process or if the withholding tax on disposal, settlement, repayment or assignment has been calculated from 30% of the disposal proceeds (rather than from the actual gain), the individual holder must report his or her income and capital gains derived from the Securities on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). Further, an individual holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Securities can only be off-set with investment income of the individual holder of the Security realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Securities can only be offset against capital gains deriving from the disposal of shares.

Where Securities form part of a trade or business or the income from the Securities qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Securities form part of a trade or business, interest (accrued) must be taken into account as income. Where Securities qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the settlement amount attributable to such year must be taken into account. The respective holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder. Where Securities form part of a German trade or business the current income and gains from the disposal, settlement, repayment or assignment of the Securities may also be subject to German trade tax. Generally the deductibility of capital losses from the Securities which qualify for tax purposes as contracts for difference is limited.

These losses may only be applied against profits from other contracts for difference derived in the same year or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from contracts for difference in subsequent years.

In the case of physically settled Securities special limitations may apply to losses from the disposal of an underlying which is a share in a corporation.

Non-residents

Interest, including Accrued Interest and capital gains are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or settlement of a Security or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Germany.

Savings Directive

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the Savings Directive into German law. These provisions apply from 1 July 2005.

The proposed financial transactions tax ("FTT")

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax (FTT) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Securities.

ITALIAN TAXATION

The following is an overview of the principal Italian tax issues at the date hereof in relation to certain aspects of the Italian taxation on payments of principal and interest in respect of the Securities. The statements do not deal with other Italian tax aspects regarding the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Holders who are in any doubt as to their tax position should consult their professional advisers.

Italy has implemented the Savings Directive through Legislative Decree no. 84 of 18 April 2005 (the **Decree no. 84**). Under Decree no. 84, subject to a number of important conditions being met, interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Italian Resident Holders

Interest on Securities

Interest, premiums and other proceeds relating to Securities which qualify as bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) and are issued by a non-Italian resident are subject, pursuant to Legislative Decree no. 239 of 1 April 1996 (the **Decree no. 239**), to an *imposta sostitutiva* equal to 26%. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. Such *imposta sostitutiva* is applied on interest and other proceeds accrued during the relevant holding period received by (i) an Italian individual otherwise than in connection with entrepreneurial activity to which the Securities are connected (unless he has entrusted the management of his financial assets, including the Securities, to an authorised intermediary and has opted for the Asset Management Option according to Legislative Decree no. 461 of 21 November 1997, the **Decree no. 461**); (ii) Italian partnerships (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), *de facto* partnerships not carrying out commercial activities and professional associations as indicated in Article 5 of Presidential Decree no. 917 of 22 December 1986; (iii) an Italian non-commercial private or public entity; or (iv) the Italian State and public entities or Italian entities exempt from Italian corporate income taxation. In case the Holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

No *imposta sostitutiva* is due with respect to interest and other proceeds paid to Italian resident companies, commercial partnerships or Italian permanent establishments of non-resident companies and the Securities are deposited with an authorised intermediary. Such proceeds must be included in the relevant Holder's taxable income subject to Italian corporate income tax (IRES) and, in certain circumstances depending on the "status" of the Holders, also as part of its net value of production for the purposes of regional tax on productive activities (IRAP).

If the Holder is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed share capital) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Securities are held by an authorised intermediary, income accrued during the holding period on the Securities will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 % will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Holder is a pension fund and the Securities are deposited with an authorised intermediary, income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 20%

substitute tax (with certain adjustments for fiscal year 2015 as provided by law no. 190 of 23 December 2014, the **Finance Act for 2015**).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 (the **Decree no. 351**) income in respect of the Securities accrued by Italian resident real estate investment funds and Italian Real Estate SICAFs (the, **Real Estate SICAFs**) is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or Real Estate SICAFs.

Pursuant to Decree no. 239, *imposta sostitutiva* is applied by banks, *Società di Intermediazione Mobiliare* ("SIMS"), fiduciary companies, *Società di gestione del risparmio* ("SGRs"), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or in a change of the Intermediary with which the Securities are deposited.

Where the Securities are not deposited with an Intermediary, the imposta sostitutiva is applied and withheld by any entity paying interest to a Holder.

Atypical securities

Interest payments relating to Securities that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26% pursuant to Article 8 of Law Decree no. 512 of 30 September 1983. This withholding tax is applied by the Italian resident intermediary intervening in the payment save where Securities are held by a commercial partnership, a commercial private and public institution resident in Italy for tax purposes or by an Italian permanent establishment of a non-Italian resident entity. These entities must include the proceeds in their taxable business income.

Capital gains

Capital gains arising from certificates or derivative investments or realised on the disposal of the Securities by an Holder which is (a) an Italian resident corporation or similar commercial entity, (b) an Italian individual engaged in entrepreneurial activities to which the Securities are effectively connected, or (c) a permanent establishment in Italy of a non-Italian resident to which the Securities are effectively connected, as well as unrealised gains reported in the statutory financial statements, must be included in the relevant Holder's taxable income subject to corporate income tax (IRES) and, in certain circumstances depending on the "status" of such Holder, also as part of the net value of production for IRAP purposes.

According to article 5 of Decree no. 461, capital gains realised by Italian resident individuals, not engaged in entrepreneurial activities to which the Securities are effectively connected, and by certain other non-commercial entities upon the sale for consideration or settlement of the Securities are subject to a substitute tax (*imposta sostitutiva*) currently at the rate of 26%. Under the tax return regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains is applicable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised in a fiscal year pursuant to all disposals of Securities and other financial instruments triggering a capital gain that is subject to the same tax regime, carried out during any given fiscal year. These individuals and non-commercial entities must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual income tax return to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax return regime, according to article 6 of Decree no. 461, Italian resident individuals not engaged in entrepreneurial activities to which the Securities are effectively connected and certain other non-commercial

entities may elect to pay the *imposta sostitutiva* separately on the capital gains realised upon each sale or settlement of the Securities (under a so-called "*Risparmio Amministrato*" regime, which is managed through the provision of non-discretionary asset management services to the taxpayer). Such a separate taxation of each capital gain is allowed subject to: (a) the Securities being deposited with an Italian bank, a *Società di Intermediazione Mobiliare* (SIM) or with certain authorised financial intermediaries, (b) each relevant capital gain being realised through such intermediary, and (c) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Holder. The financial intermediary, also on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or settlement of Securities (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount of tax to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Holders.

Under the *Risparmio Amministrato* regime, where a sale or settlement of Securities results in a capital loss, such loss may be used to reduce the subsequent capital gains realised in the same tax year and up to the following fourth. Capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the same nature realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014. All gains that have been subject to the *Risparmio Amministrato* regime do not have to be included in the yearly income tax return of the Holders.

Also as an alternative to the tax return regime, according to article 7 of Decree no. 461, the increase or decrease in the fair market value of the Securities, as well as the gains or losses realised upon the sale for consideration or settlement of the same securities by Italian resident individuals not engaged in entrepreneurial activities to which the Securities are effectively connected, and by certain other non-commercial entities, who have elected for the so-called "*Risparmio Gestito*" regime (namely, a regime managed by an intermediary providing discretionary management services), will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, which is subject to a 26% *imposta sostitutiva*, applied directly by the authorised asset manager. Under the *Risparmio Gestito* regime, any net depreciation of the managed assets accrued at year end may be carried forward and deducted against future increase in value of the managed assets in the four succeeding years. All gains that have been subject to the *Risparmio Gestito* regime do not have to be included in the yearly income tax return of the Holder. Decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08% of the same nature realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Holder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Holder which is an Italian pension fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% Substitute tax (with certain adjustments for fiscal year 2015 as provided by Finance Act for 2015).

Any capital gains realised by Italian resident real estate fund to which the provisions of Decree no.351 apply, will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate fund or Real Estate SICAFs.

Non-Italian Resident Holders

No Italian withholding tax or *imposta sostitutiva* is applied on payments to a non-Italian resident Holder of interest or premium relating to the Securities provided that, if the Securities are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of interest on such

Securities, the non-Italian resident Holder may be required to produce to the Italian bank or other intermediary a self-declaration stating itself to be a non-Italian resident according to Italian tax regulations.

Capital gains realised by non-Italian resident Holders from the sale or settlement of the Securities are not subject to Italian taxation, provided that the Securities are held outside Italy.

The 26% *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or settlement of the Securities by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Securities are effectively connected, if the Securities are held in Italy. However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected through the sale for consideration or settlement of the Securities are exempt from taxation in Italy to the extent that the Securities are listed on a regulated market in Italy or abroad.

If the Securities are not listed on a regulated market in Italy or abroad, non-Italian resident Holders, with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the *imposta sostitutiva* on any capital gains realised upon sale for consideration or settlement of the Securities if they are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Securities are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or settlement of Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or settlement of the Securities.

Inheritance and Gift Taxes

Italian inheritance and gift tax has to be paid at the transfer of assets (such as the Securities) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the Securities by reason of death or gift, the following rates apply:

- (a) transfers in favour of spouses and direct descendants or direct relatives are subject to a registration tax of 4% on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each beneficiary;
- (b) transfers in favour of brothers and sisters are subject to a registration tax of 6% on the value of the inheritance or the gift exceeding Euro 100,000.00 for each beneficiary;
- (c) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to a registration tax of 6% on the entire value of the inheritance or the gift;
- (d) any other transfer is subject to a registration tax of 8% on the entire value of the inheritance or the gift; and
- (e) transfers in favour of seriously disabled persons are subject to a registration tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each beneficiary.

Transfer Tax

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of Securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of Euro 200.00; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (the **Decree no. 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Holder in respect of any Security which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.2%; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or settlement amount of the Securities held. The stamp duty cannot (for taxpayers other than individuals) exceed Euro 14,000.

Based on the wording of the law and the implementing decree issued by the Italian ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012 of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory). **Wealth tax on Securities deposited abroad**

Pursuant to Article 19(18) of Decree no. 201, Italian resident individuals holding the Securities outside the Italian territory are required to pay an additional tax at a rate of 0.2%.

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

Italian Financial Transaction Tax (FTT)

As of 1 March 2013 Italian shares and other participating instruments, as well as depository receipts representing those shares and participating instruments irrespective of the relevant issuer (cumulatively referred to as **In-Scope Shares**), received by an Investor upon physical settlement of the Certificates may be subject to 0.2% Finance Transaction Tax (**FTT**) calculated on the higher of the exercise value of the Certificates and the normal value of the In-Scope Shares (which for listed securities is generally equal to the 30 days prior average market price).

Investors on derivative transactions or securitised derivatives, other than bonds or debt securities but including certificates, mainly having as underlying or mainly linked to In-Scope Shares are subject to FTT at a rate ranging between €0.01875 and €200 per counterparty, depending on the notional value of the relevant derivative transaction or transferable securities calculated pursuant to Article 9 of Ministerial Decree of 21 February 2013. FTT applies upon subscription, negotiation or modification of the Certificates.

Payments under the Exane Guarantee

There is no authority directly on point regarding the Italian tax regime of payments made by the Guarantor under the Exane Guarantee. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

Following an interpretation of the Italian tax law, payments made to Italian resident Holders by the Guarantor in respect of the Securities, must be included in the relevant Holder's taxable income subject to Italian taxation according to the ordinary rules and such payments will not be subject to any Italian withholding tax.

In accordance with another interpretation, any such payment made by the Guarantor should be treated, in certain circumstances, as a payment by the issuer and made subject to the tax treatment described under "Interest on Securities" above.

LUXEMBOURG TAXATION

The following information is of a general nature and 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. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities 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.

We draw your attention to the fact that reference to “residence” which is used in the developments below solely applies for the purposes of Luxembourg tax law. Any reference in the present section to withholding tax or tax of a similar nature only refers to Luxembourg tax laws and/or concepts.

Non-resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon settlement or repurchase of the Securities held by non-resident holders of Securities.

Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon settlement or repurchase of Securities held by Luxembourg resident holders of Securities.

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 or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. 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 Securities coming within the scope of the Law would be subject to withholding tax of 10%.

NETHERLANDS TAXATION

The following overview outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, settlement and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This overview is intended as general information only for holders of Securities who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.

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

This overview does not address the Netherlands tax consequences for:

- (a) holders of Securities holding a substantial interest (aanmerkelijk belang) or deemed substantial interest (fictief aanmerkelijk belang) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*
- (b) persons to whom the beneficial interest in the common shares is attributed based on the separated private assets (afgezonderd particulier vermogen) provisions of the Dutch income tax act 2001 (Wet inkomstenbelasting 2001);*
- (c) investment institutions (fiscale beleggingsinstellingen); and*
- (d) pension funds, exempt investment institutions (vrijgestelde beleggingsinstellingen) or other entities those are exempt from Netherlands corporate income tax.*

Where this overview refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Netherlands Withholding tax

All payments made by the Issuer under the Securities, may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the settlement, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the settlement, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (a) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) applies to the holder of Securities, taxable income with regard to the Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the Holder of the Securities less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

Netherlands Gift and Inheritance Tax

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be a made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a twelve months period after leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

SWEDISH TAXATION

The following comments are of a general nature and included herein solely for information purposes. These comments are limited to Swedish withholding taxation relating to holders of Securities that are considered to be Swedish residents for Swedish tax purposes (unless otherwise stated) in respect of amounts that are considered to be interest for Swedish tax purposes as currently applicable and do not contain any statements as to the Swedish tax liability and tax consequences of the purchase, holding or disposal of the Securities. These comments do not address credit of foreign taxes. Further, these comments do not address situations where Securities are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. These comments are not intended to be, nor should they be construed to be, legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Security is made hereby.

The information contained in this section is not comprehensive and is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities. It is based upon Swedish tax laws and practice as in effect as of the date hereof which are subject to change.

PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE SWEDISH TAX AND OTHER TAX CONSEQUENCES (INCLUDING THE APPLICABILITY AND EFFECT OF TAX TREATIES FOR THE AVOIDANCE OF DOUBLE TAXATION) OF AN INVESTMENT IN THE SECURITIES IN THEIR PARTICULAR CIRCUMSTANCES.

Swedish tax residents

There is no Swedish withholding tax at source (*källskatt*) applicable on payments made by the issuer in respect of the Securities. However, Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30% will be deducted from all payments of interest in respect of the Securities made to any individuals, or estates, that are resident in Sweden for tax purposes provided the paying entity is subject to reporting obligations. A preliminary tax of 30% will also be deducted from any other payments in respect of the Securities not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

Non-residents

There is no Swedish withholding tax on interest payments to non-residents.

SWISS TAXATION

The following discussion is a summary of certain material Swiss tax considerations relating to (i) Securities where the holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) Securities where the paying agent, custodian or securities dealer is located in Switzerland. The discussion is based on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in securities. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of securities (or options embedded therein) in light of their particular circumstances.

Swiss Withholding Tax

Payments by the Issuer on Securities are not subject to Swiss federal withholding tax provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On 17 December 2014 the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35% on any payment of interest in respect of a security to an individual resident in Switzerland. If this legislation or similar legislation were enacted and a payment in respect of a security were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer, nor any paying agent nor any other person would pursuant to the general terms and conditions of the Securities be obliged to pay additional amounts with respect to any Security as a result of the deduction or imposition of such withholding tax.

Income Taxation

Securities held as Private Assets by a Swiss Resident Holder

(i) Structured Products

If a Security classifies as a structured product, its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Security classifies as a structured product with or without a predominant one-time interest payment.

Non-transparent derivative financial instruments: If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the Security classifies as non-transparent structured product and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment. If so, Swiss resident private investors will be taxed on any interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (differential taxation method).

Transparent derivative financial instruments without a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest-payment (see below "Transparent derivative financial instruments with a predominant one-time interest payment"), then any periodic interest payment and the one-time interest payment is taxed when paid to the holder of the Security. A gain, including interest accrued, realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder"). The same applies if the Security is redeemed except that interest accrued is taxed when paid.

Transparent derivative financial instruments with a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium, and not from periodic interest payments, then any periodic interest payments at sale or redemption of the Security as well as the difference between the value of the embedded bond at sale or redemption and its value at issuance or purchase, as applicable, converted, in each case, into Swiss francs at the rate of exchange prevailing at the time of sale, redemption, issuance or purchase constitutes taxable income (modified differential taxation method). A value decrease on the embedded bond realised on the sale or redemption of the Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all financial

instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(ii) Notes

Notes without a predominant one-time interest payment: If a Security classifies as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, converted into Swiss francs at the rate of exchange prevailing at the time of payment. A gain, including interest accrued, realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

Notes with a predominant one-time interest payment: If a Security classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (differential taxation method).

(iii) Pure Derivative Financial Instruments

Periodic and one-time dividend equalisation payments realised on a Security which classifies as a pure derivative financial instrument (such as pure call and put options, including low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of their private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(iv) Low Exercise Price Options (LEPO)

According to the current practice of the Swiss Federal Tax Administration, low exercise price options are given if the *Underlying* has been pre-financed by at least 50% at the time of issuance.

For low exercise price options with a maturity exceeding one year, the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder").

(v) Fund-like Products

An individual holding a fund-like product as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derived from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any loss on the underlying investments is a non-tax-deductible private capital loss. Such taxation will only apply if dividend and interest income (less attributable costs) and capital gains and losses are reported and distributed separately. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised is a non-tax-deductible capital loss (see below "Capital Gains Taxation – Securities held as Private Assets by a Swiss resident Holder").

Securities held as Assets of a Swiss Business

Corporate entities and individuals who hold Securities as part of a trade or business in Switzerland (in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland) are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such

Securities (irrespective of their classification) in their income statement and will be taxed on any net taxable earnings for the respective taxation period.

The same taxation treatment also applies to Swiss-resident individuals who are classified by the tax authorities as "professional securities dealers" for reasons of, *inter alia*, frequent dealing and leveraged investments in Securities.

Capital Gains Taxation

Securities held as Private Assets by a Swiss Resident Holder

A gain or a loss realised by an individual resident in Switzerland upon the sale or other disposal of a Security held as part of his or her private assets, is a tax-free private capital gain or a non-tax deductible capital loss, respectively, unless such individual is classified by the tax authorities as a "professional securities dealer" for reasons of, *inter alia*, frequent dealing and leveraged investments in Securities. If an individual is classified as "professional securities dealer" he or she will be taxed in accordance with the principles set forth above under "Securities held as Assets of a Swiss Business". Concerning the separation into a tax-exempt capital gains or non-tax deductible capital loss component, as applicable, and a taxable income component of a Security, see the breakdown principles set forth above with regard to the different instruments under "Income Taxation – Securities held as Private Assets by a Swiss Resident Holder").

Securities held as Assets of a Swiss Business

Capital gains realised on Securities held as assets of a Swiss business are taxed in accordance with the taxation principles set forth above under "Income Taxation – Securities held as Swiss Business Assets".

Stamp Taxes

Swiss Federal Issue Stamp Tax

The Securities are not subject to Swiss federal stamp tax on the issuance of Securities.

Swiss Federal Securities Turnover Tax

Dealings in Securities which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options (LEPOs) with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25%, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are not subject to the Swiss federal securities turnover tax.

Dealings in Securities which have been issued by an issuer outside of Switzerland and which classify as structured products, share-like instruments (including Low Exercise Price Options on shares with a maturity exceeding twelve months) or fund-like instruments are subject to Swiss federal securities turnover tax of 0.3% on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealings in bonds and structured products with a maturity not exceeding one year are exempt from Swiss federal securities turnover tax.

The delivery of an underlying taxable Security at exercise or redemption to the holder of the Security is subject to Swiss federal securities turnover tax of 0.3% in case a Security issued by an issuer outside Switzerland is delivered, and of 0.15% in case a Security issued by a domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Gift, Inheritance and Estate Taxes

Subject to an applicable international tax treaty in an international scenario, transfers of Securities may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person had his or her last domicile in Switzerland, the donor is resident in Switzerland, or in the case of a foreign deceased or donor the transfer involves an unincorporated business (partnership or sole proprietorship) in Switzerland and Securities are held as part of such business. No such taxes exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants, as well as inheritances collected by the surviving spouse and descendants are frequently exempt or taxed at very low rates (up to 6%).

Gifts and inheritances received from unrelated persons attract rates ranging from 20% to 40%. The taxable base is usually the market value of the property transferred.

Net Worth and Capital Taxes

A holder of Securities who is a resident individual in Switzerland or is a non-Swiss resident holding Securities as part of a Swiss business operation or a Swiss permanent establishment, is required to report Securities as part of private assets or as part of Swiss business assets, as applicable, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the Securities); in the case of a non-Swiss resident individual holding Securities as part of a Swiss business operation or a Swiss permanent establishment to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of Securities are subject to cantonal and communal capital tax on net taxable equity, in the case of non-Swiss resident incorporated holders to the extent the aggregate net taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level.

Non-Swiss Resident Holders

A holder of a Security who is not resident in Switzerland for tax purposes and who during the taxation period has not engaged in trade or business carried on through a business operation or permanent establishment in Switzerland, will be subject to neither to income tax and capital gains tax nor net wealth or capital tax in Switzerland.

EU Savings Tax

The Agreement between the European Community and the Confederation of Switzerland dated 26 October 2004 provides for measures equivalent to those laid down in the EU Savings Tax Directive and requires a Swiss paying agent to deduct EU savings tax on an interest payment to an individual resident in an EU member state. The tax is withheld at a rate of 35%, with the option for the individual to have the paying agent and Switzerland provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding. The individual may be entitled to a tax credit or refund of the withholding, provided that he or she is the beneficial owner of the interest payments and certain other conditions are met.

Final Foreign Withholding Taxes

On 1 January 2013, treaties on final withholding taxes of Switzerland with the United Kingdom and Austria entered into force (each a **Contracting State**). The treaties require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax (*internationale Quellensteuer*) at rates specified in the treaties on certain capital gains and income items (interest, dividends, other income items), all as defined in the treaties, deriving from assets, including the Securities, as applicable, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company (*Sitzgesellschaft*), an insurance company in connection with a so-called insurance wrapper (*Lebensversicherungsmantel*) or other individuals if the beneficial owner is an individual resident in a Contracting State. The flat-rate tax withheld substitutes the ordinary income tax on the respective capital gains and income items in the Contracting State where the individual is tax resident. In order to avoid the withholding of the flat-rate tax by the Swiss paying agent, such individuals may opt for a disclosure of the respective capital gains and income items to the tax authorities of the Contracting State where they are tax residents.

U.S. TAX

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT WITHHOLDING

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime is in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Securities characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Securities characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an agreement based largely on the Model 1 IGA (the **US-France IGA**).

The Issuer expects to be treated as a Reporting FI pursuant to the US-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Securities are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Securities is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Securities are cleared through the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Securities by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Securities. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

U.S. HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986, which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30% U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the U.S. Internal Revenue Service (**IRS**). A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Proposed U.S. Treasury regulations expand the scope of withholding under Section 871(m) beginning 1 January 2016.

While significant aspects of the application of Section 871(m) to the Securities are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Securities.

SUBSCRIPTION, PURCHASE AND SELLING RESTRICTIONS

Under the terms and conditions of a purchase agreement dated 24 June 2015 (the **Purchase Agreement**) entered into between the Issuer, the Guarantor and the Dealer, the Securities are offered on a permanent basis by the Issuer to the permanent Dealer. However, the Issuer may sell Securities to Dealers other than the permanent Dealer.

General

The present selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant securities law, regulation or directive or in certain other circumstances as may be agreed between the relevant Issuer and the relevant Dealers. Any such modification will be set out in a supplement to the Base Prospectus.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Base Prospectus, any other offering material relating to the Securities or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities 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 any Dealer shall have any responsibility therefor.

EUROPEAN ECONOMIC AREA

Please note that in relation to EEA States, additional selling restrictions may apply in respect of any specific EEA State, including those set out below in relation to Belgium, France, Italy and United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) offers of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State may not be made except, with effect from and including the Relevant Implementation Date, offers of such Securities to the public in that Relevant Member State may be made:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer or any Manager for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (c) above shall require the Issuer 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 Securities to the public** in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC, as amended to the extent implemented in the Relevant Member State, and includes any relevant implementing measure in the Relevant Member State.

ARGENTINA

The Securities are not registered with the *Comisión Nacional de Valores* (the Argentine securities commission or the “CNV”) nor is the Issuer an authorised issuer registered with the CNV. Consequently, no public offering of the Securities is authorised in Argentina and the Securities may not be sold under the Argentine Capital Markets Law No. 26,831, as amended, as regulated by Decree No. 1,023/2013 (the “**Securities Law**”). Furthermore, because the Securities Law does not have extraterritorial effects, public offerings which take place outside of Argentina are not regulated by the Securities Law. Accordingly, any transactions involving the Securities must be done privately, in circumstances that do not constitute a public offering or distribution under Argentine law and regulations. Each Dealer has represented and warranted, and each further Dealer appointed under the Programme will be required to represent and warrant, that it will not (i) be domiciled or be located in Argentina, nor have a local presence in Argentina, (ii) engage in any invitation to the general Argentine public, or certain sectors or groups in Argentina, made through personal offers, newspaper advertisements, radio or television broadcasts, internet, websites, films, billboards, signs, programmes, massive e-mail distributions, circulars, printed notices, marketing materials or by any other means, to enter into any transaction involving the Securities, (iii) offer or sell the Securities to any other person, whether by traditional or electronic means, for re-sale, directly or indirectly in Argentina, unless in compliance with the Securities Law, as amended, any regulations issued thereunder, and any other applicable Argentine laws and regulations; or (iv) negotiate in Argentina the terms and conditions of the transaction to be entered into with the investor, and the transaction will be closed and settled outside of Argentina. Failure to comply with one or more of these guidelines will not automatically result in a public offering of securities, but rather the situation would have to be reviewed depending on that particular case.

BELGIUM

With regard to Securities having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority (**FSMA**). Accordingly, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of these Securities in Belgium in accordance with the Prospectus Law on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

The funds to which certain of the Securities that can be issued under on the Programme are linked are not registered and will not be registered in Belgium with the FSMA under the Belgian Law of 3 August 2012 on certain forms of collective management of investment portfolios. The shares and other securities issued by these funds cannot be offered publicly in Belgium.

The Securities shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purpose of their immobilization in accordance with Article 4 of the Belgian Law of 14 December 2005.

BRAZIL

The Securities have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets. Neither the Issuer nor any of the Securities have been or will be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários) (the "CVM"). Any public offering or distribution of the Securities in Brazil, as defined under Brazilian laws and regulations, requires prior registration under Law No. 6,385, of 7 December 1976, as amended, and Instruction No. 400, issued by the CVM on 29 December 2003, as amended. Documents relating to an offering of the Securities by this Base Prospectus, as well as information contained therein, may not be distributed to the public in Brazil, nor be used in connection with any offer for subscription or sale of the Securities to the public in Brazil. The Securities may not be offered or sold to the public in Brazil and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Brazil, except in circumstances that do not constitute a public offering, placement, negotiation or distribution under Brazilian laws and regulations.

FRANCE

The Dealer and each further Dealer appointed under the Programme will be required to represent and warrant that:

- (a) they have not made an offer to the public (*offre au public*) in France not sold the Securities to the public in France prior to the period beginning on the date of notification to the *Autorité des marchés financiers* (AMF) by the *Commission de Surveillance du Secteur Financier* (la CSSF) of the approbation of the Base Prospectus in accordance with the provisions of articles L. 412-1 and L.621-8 of the French monetary and financial code and with the provisions of the AMF General Regulation and ending at the latest 12 month after the date of approval of the Base Prospectus; or
- (b) they have not, with regards to a private placement of the Securities in France, offered or sold directly or indirectly the Securities to the public in France and they will not offer or sell directly or indirectly the Securities to the public in France; they have not distributed not cause to distribute to the public in France of the Base Prospectus, the Final Terms or any other document relating to the Securities and such offer, sale and distribution of the Securities in France will be made only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*) or to a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in articles L. 411-1, L. 411-2 and D. 411-1 French monetary and financial code.

HONG KONG

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the Securities and Futures Ordinance)) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or

read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

JAPAN

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended, the **FIEL**). Accordingly, the Dealer has represented and warranted and each further Dealer appointed under the Programme will be required to represent and warrant that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, paragraph 1, article 6 of the Foreign Exchange and Foreign Trade (Act no. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. In this paragraph, the expression "resident of Japan" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan and branch offices or local offices in Japan of non-residents .

MALAYSIA

The Securities may not be offered and the Base Prospectus may not be distributed to the public in Malaysia. The Securities may not be offered, sold, transferred or otherwise disposed directly or indirectly, nor may any document or other material in connection therewith be distributed, other than to a person to whom an offer or invitation to subscribe or purchase the Securities and to whom the Securities are issued would fall within:

- (a) Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) of the CMSA; read together with
- (b) Schedule 8 or Section 257(3) of the CMSA,

as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

MEXICO

Neither the Securities nor the Base Prospectus have been or will be approved by the Mexican National Banking and Securities Commission. Accordingly, the Securities may not be offered, sold, re-sold or distributed in Mexico except in circumstances which do not constitute a public offering of securities in Mexico. The Securities may only be offered directly or indirectly in Mexico and the Base Prospectus may only be distributed directly or indirectly in Mexico in the context of private placements to Mexican institutional investors. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will only privately place or offer the Securities within Mexico.

PERU

According to the (*Superintendencia de Mercado de Valores*) SMV Regulation, Securities offered in Peru pursuant to this Base Prospectus must be made in the context of a private offer. Therefore and in compliance with the Peruvian stock market Legislation and Primary Public Offer and Sale of Securities Regulation, the any Dealer should (i) only offer Securities in Peru to institutional investors in the context of a private placement and (ii) inform the relevant institutional investor in Peru that the Securities offered are not supervised by the SMV.

The Securities may not be offered, sold, transferred or otherwise disposed directly or indirectly, nor may this Base Prospectus, any Final Terms or any document or other material in connection therewith be distributed, directly or indirectly, in Peru other than to institutional investors. The buyer of the Securities will not be able to

sell any Securities purchased by it within the period of 12 months following the purchase and if the offer includes a Security that has a nominal amount or a purchase price equal to or higher than 250 thousands Soles, the buyer will not be able to transfer the Securities at a lower price.

REPUBLIC OF ITALY

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. Offer to the public in Italy:

it will only make an offer of the Securities to the public in the Republic of Italy after the Base Prospectus has been approved by the CSSF and notice of such approval has been given to the *Commissione Nazionale per le Società e la Borsa (CONSOB)* in accordance with the passporting procedure set forth in the Prospectus Directive as implemented by Article 98 of the Legislative Decree no. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Articles 11 and 12 of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the **Issuers Regulation**).

1. Private placement in Italy:

Prior to the passporting of the Base Prospectus to CONSOB, pursuant to the Italian securities legislation, the Securities may not, and will not, be offered, sold, transferred or delivered, directly or indirectly, in an offer to the public in the Republic of Italy and copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities may not, and will not, be distributed in the Republic of Italy, unless an exemption applies. Accordingly, each of the Dealer and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) not to effect any offering, marketing, solicitation or selling activity of the Securities in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and its implementing regulations, including article 34-ter of the Issuers Regulation.

The Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that any offer, sale, transfer or delivery of the Securities or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities in the Republic of Italy under (a) or (b) above must, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and in particular will be made:

- (i) 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, Legislative Decree no. 385 of 1 September 1993 (the **Banking Act**), CONSOB Regulation no. 16190 of 29 October 2007, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the Securities in the offering is solely responsible for ensuring that any offer and resale of the Securities it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Securities in the Republic of Italy to the extent that the Securities are placed solely with qualified investors and such Securities are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus in the Republic of Italy or outside of the application of one of the exemptions referred to above, purchasers of Securities who are acting outside of the course of their business or profession are entitled to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Securities were purchased.

This Base Prospectus, the Final Terms or any other document relating to the Securities, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason.

SINGAPORE

The Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**) and the Securities will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**). Accordingly, the Dealer has represented and warranted and each further Dealer appointed under the Programme will be required to represent and warrant that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or caused such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred for six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) of the SFA or 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

SPAIN

Neither the Securities nor the Base Prospectus have been or will be approved or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Securities may not be offered, sold, re-sold or distributed in Spain except in circumstances which do not constitute a public offering of securities in Spain within the meaning of section 30-bis of Law 24/1988, as developed by RD 1310/2005 and supplemental rules enacted thereunder or in substitution thereof from time to time. The Securities may only be offered and sold in Spain by institutions authorised to provide investment services in Spain under the Securities Market Law (and related legislation) and Royal Decree 217/2008 of 15 February on the Legal Regime Applicable to Investment Services Companies (Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión).

SWEDEN

Any offer for subscription or purchase or invitations to subscribe for or buy or sell any Securities or distribution of any draft or final document in relation to any such offer, invitation or sale in Sweden will only be made in circumstances which will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Sw. Lag (1991:980) om handel med finansiella instrument*).

SWITZERLAND

This document is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Base Prospectus nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Base Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Securities have been or will be filed with or approved by any Swiss regulatory authority. The Securities are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Securities will not benefit from protection or supervision by such authority.

THAILAND

This Base Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the securities may not be offered or sold, or this Base Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

UNITED KINGDOM

The Dealer has represented and warranted and each further Dealer appointed under the Programme will be required to represent and warrant that:

- (a) it has not communicated or caused to be communicated and will not communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Securities except in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or Guarantor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to any action taken by it in relation to the Securities in, from, or otherwise involving, the United Kingdom.

UNITED STATES OF AMERICA

Regulation S

The Securities and the Exane Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or under the securities law of any state or political subdivision of the United States. No person has registered nor will register as a commodity pool operator of the Issuer under the United States Commodity Exchange Act of 1936, as amended (the **CEA**) and the rules thereunder (the **CFTC Rules**) of the Commodity Futures Trading Commission (the **CFTC**), and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The Securities and the Exane Guarantee are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S.

Accordingly, the Securities and the Exane Guarantee may not be offered, sold, pledged or otherwise transferred except in an “Offshore Transaction” (as such term is defined under Regulation S) to or for the account or benefit of a Permitted Transferee.

The following definitions shall apply for the purposes of this transfer restriction:

Permitted Transferee means any person who is not:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S; or
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

Transfers of Securities within the United States or to any person other than a Permitted Transferee are prohibited. Any transfer of Securities to a person other than a Permitted Transferee (a **Non-Permitted Transferee**) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Security in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Security. The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Security is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law); or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 2.5.

The foregoing restrictions on the offer, sale, pledge or other transfer of Securities to a Non-Permitted Transferee may adversely affect the ability of an investor in the Securities to dispose of the Securities in the secondary market, if any, and significantly reduce the liquidity of the Securities. As a result, the value of the Securities may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, “U.S. person” means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;

- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, modified as indicated above, “Non-United States person” means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC’s interpretive guidance and policy statement regarding compliance with certain swap regulations, 78 Fed. Reg. 45292, 316 (Jul. 26, 2013), “U.S. person” includes, but is not limited to:

- (a) Any natural person who is a resident of the United States;
- (b) Any estate of a decedent who was a resident of the United States at the time of death;
- (c) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in clauses (d) or (e), below) (**a legal entity**), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (d) Any pension plan for the employees, officers or principals of a legal entity described in clause (c), unless the pension plan is primarily for foreign employees of such entity;

(e) Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;

(f) Any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in clause (c) and that is majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;

(g) Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and

(h) Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in clause (a), (b), (c), (d), (e), (f), or (g).

Each prospective purchaser of the Securities, by accepting delivery of this Base Prospectus and the Securities, and each transferee of the Securities by accepting the transfer of the Securities, will be deemed to have represented and agreed as follows:

(a) it understands that the Securities and the Exane Guarantee have not been and will not be registered under the Securities Act and agrees that it will not, at any time during the term of the Securities offer, sell, pledge or otherwise transfer the Securities, except in an “Offshore Transaction” (as such term is defined under Regulation S) to or for the account of a Permitted Transferee;

(b) it understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CEA Rules;

(c) (i) it is a Permitted Transferee and (ii) if it is acting for the account or benefit of another person, such other person is also a Permitted Transferee;

(d) it understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Securities to certify periodically that such legal or beneficial owner is a Permitted Transferee;

(e) it understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Securities in violation of the transfer restrictions applicable to the Securities;

(f) it understands and acknowledges that the Issuer has the right at any time after becoming aware that any legal or beneficial ownership interest in a Security is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law) or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 2.5;

(g) it agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the Securities;

(h) it understands that Securities will bear a legend regarding the restrictions set forth herein; and

(i) it understands that any purported transfer in violation of the transfer restrictions applicable to the Securities will be void *ab initio* and will not operate to transfer any rights to the Non-Permitted Transferee.

The Securities and the Exane Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission (SEC) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Securities and the Exane Guarantee. Any representation to the contrary is a criminal offence.

Furthermore, the Securities and the Exane Guarantee do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Securities nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Securities. In addition, until forty (40) days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

URUGUAY

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not conduct a public offer of the Securities in Uruguay. In Uruguay the Securities are being placed relying on a private placement exemption ("*oferta privada*") pursuant to Section 2 of Law N° 18,627. The Securities are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay.

This Base Prospectus, the Final Terms and any other documents relating to an offering of the Securities, may not be distributed to the public in Uruguay, nor be used in connection with any offer for subscription or sale of the Securities to the public in Uruguay.

VENEZUELA

Neither this Base Prospectus nor the Securities have been registered with the Venezuelan Securities Market Regulator ("*Superintendencia Nacional de Valores*"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not conduct a public offer of the Securities in Venezuela. For the sole purpose of this selling restriction with respect to Venezuela, "public offer" is the offer of Securities made to the public, particular sectors or groups through any publicity or diffusion means in Venezuela.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that offers of Securities within Venezuela will only be made on a private placement basis.

GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Base Prospectus and, in relation to the Conditions of any particular Securities, the applicable Final Terms.

The following description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

The applicable terms of any Securities will be set out in the applicable Final Terms attached to, or endorsed on, such Securities. The Conditions of the Securities are set out in detail under the "Form of Final Terms for the Certificates/CLN/Hybrid Securities" below. Securities issued under the Programme will be issued pursuant to this Base Prospectus and related Final Terms. The obligations of the Issuer under the Securities will constitute unsubordinated obligations of such Issuer.

1. PARTIES TO THE PROGRAMME

Issuer : Exane Finance

Garantor : Exane Derivatives

Dealer : Exane Derivatives and any other Dealers appointed in accordance with the Undertaking Agreement.

Principal Paying Agent : Exane Derivatives

Paying Agent : BNP Paribas Securities Services, Luxembourg Branch

Calculation Agent : Exane Derivatives and any other person or entity indicated as such in the Final Terms.

Pledged Account Custodian : BNP Paribas Securities Services, Paris or any other Pledged Account Custodian indicated in the Final Terms.

2. DESCRIPTION

Programme d'émission de Titres de Créance

3. RISK FACTORS

Potential investors in Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the relevant Securities as a suitable investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk, including the risk of such Securities expiring worthless. Potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "Risk Factors" herein for further details.

4. DISTRIBUTION METHOD

Securities may be distributed by way of public or private placement.

5. CURRENCIES

Securities may be denominated in any currencies agreed between the Issuer and the Dealer.

Payments may be made in and/or linked to, any currencies other than the currency in which such Securities are denominated.

6. MATURITIES

All maturities specified in the Final Terms are subject to all applicable laws regulations and directives

7. ISSUE PRICE

Securities may be issued on the basis of an Issue Price (expressed either (i) a percentage of the Nominal Value or (ii) an amount in currency of each Security) agreed between the Issuer and the Dealer.

8. SETTLEMENT

The Final Terms will provide the settlement conditions of the Securities and especially if the Securities are subject to a Final Settlement, an Early Settlement, and Automatic Early Settlement, an Optional Settlement or an Early Settlement for Tax reasons.

9. REDENOMINATION

If Redenomination is specified as applicable in the Final Terms, Securities shall be redenominated without the consent of the Holders with a notification in accordance with Condition 19.

10. ADDITIONAL GUARANTEE FOR CERTAIN ISSUES IN THE FORM OF A PLEDGED ACCOUNT OF FINANCIAL INSTRUMENTS

Some Series may benefit from an additional Guarantee in the form of pledging of securities account. The conditions of these Securities are described into the section “Conditions of the Pledge”.

The amount or the nature of the Secured Debt will be specified in the Final Terms.

11. SELLING RESTRICTIONS

There are restrictions on the offer, sale, and transfer of the Securities in the United States and the European Economic Area. These restrictions are detailed in the section “Subscription, Purchase and selling restrictions”.

12. TYPE OF SECURITIES

The Securities may be either (a) indexed to one or more or a combination of shares, indices, units or shares of collective investment schemes, futures contracts, foreign exchange rates, debt securities, listed options or commodities (the **Certificates**) or (b) linked to the creditworthiness of the relevant reference entity/ies (the **Credit Linked Notes** or **CLN**) or (c) indexed to a combination of one or more underlyings of the Certificates with one or more credit events in respect of one or more reference entities of the CLN (the **Hybrid Securities**, and the Hybrid Securities together with the CLNs, the **Credit Linked Securities**) and may be Fixed Rate Securities, Floating Rate Securities, Zero Coupon Securities, Partly Paid Securities.

13. LISTING AND ADMISSION TO TRADING

An application may be made, at the option of the Issuer for certain Securities listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Securities may also be admitted to trading on any other exchange or any other regulated market and/or any non-regulated market as the Issuer and relevant Dealer may agree and as specified in the Final Terms.

FORM OF FINAL TERMS FOR THE CERTIFICATES/CLN / HYBRID SECURITIES



Final Terms dated [●]

Issue of [*number or amount*] [Certificates / CLN / Hybrid Securities [*commercial name*]]
indexed to [*brief description of the Underlying(s) of the Certificates/CLN/Hybrid Securities*]

[*Please insert if the issue is a new Tranche of the Series – to be consolidated with the issue [Title of the original issue] issued on [original Issue Date of the first Tranche] [and with the issue [Title of the original issue] issued on [Issue Date of the following Tranche]]*]

pursuant to the Debt Securities Issue Programme of
EXANE FINANCE

unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES

[This issue also has the benefit of an additional guarantee in the form of a
pledging of securities account granted by
EXANE DERIVATIVES / (*Please delete if not applicable*)]

Series n° : [●]

Tranche n° : [●]

Issue Price: [●] per [Certificate/CLN/Hybrid Security] / [●]% of the Nominal Value

Scheduled Maturity Date: [●]

[An application has been made for the [Certificates/CLN/Hybrid Securities] to be admitted to trading on the
regulated market and listed on [●] (*Please delete if not applicable*)]

[**EXANE DERIVATIVES**/(if other dealer, specify the name of the dealer)]
as Dealer

Part A – Contractual Terms

Unless otherwise required by the context, the terms and expressions used and not expressly defined in these Final Terms shall have the same meaning as in the Conditions of the Securities and the Technical Annex set forth in the Base Prospectus dated as of 24 June 2015 [, as supplemented by the [First/Second/Third/[●]] Supplement dated as of [●] ([the Supplement / together, the **Supplements**))].

The Base Prospectus [and the Supplement(s)] constitute[s] [together] a base prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in Luxembourg. The present document constitutes the Final Terms of the [Certificates/CLN/Hybrid Securities] described herein for the purposes of article 5.4 of the Prospectus Directive and the relevant implementing measures in Luxembourg.

The Final Terms must be read in conjunction with the Base Prospectus [, as supplemented]. Full information on the Issuer, the Guarantor and the offer of the [Certificates/CLN/Hybrid Securities] is only available on the basis of the combination of these Final Terms and the Base Prospectus [, as supplemented].

The Base Prospectus [and the Supplement(s)] [and the Final Terms]⁴ [is/are] available on the website of Exane (www.exane.com/exaneissues). [A summary of the issue of the Securities is attached as a schedule to these Final Terms.]⁵ The Base Prospectus [, the Supplement(s)] and these Final Terms are available for inspection and copies may be obtained from the registered office of the Issuer [(option – Please delete if not applicable) the registered office of the Principal Paying Agent / the registered office the Pledged Account Custodian / the registered office Luxembourg Paying Agent and on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[(The following alternative language applies if the first Tranche of an issue which is being increased was issued under a base prospectus with an earlier date and incorporated by reference in this Base Prospectus).

Unless otherwise required by the context, the terms and expressions used and not expressly defined in these Final Terms shall have the same meaning as in the Conditions of the Securities and the Technical Annex set forth in the Base Prospectus dated as of [original date], as supplemented by the [First/[●]] Supplement dated as of [●] which are incorporated by reference in the Base Prospectus dated as of 24 June 2015 [, as supplemented by the [First/Second/Third/[●]] Supplement dated as of [●] ([the Supplement/together, the **Supplements**))].

The present document constitutes the Final Terms of the [Certificates/CLN/Hybrid Securities] described herein for the purposes of article 5.4 of the Prospectus Directive and the relevant implementing measures in Luxembourg and must be read in conjunction with the Base Prospectus dated as of 24 June 2015 [,as supplemented by [the Supplement(s)], which constitute[s] [together] a base prospectus for the purpose of the Prospectus Directive and the relevant implementing measures in Luxembourg.

Full information on the Issuer, the Guarantor and the offer of the [Certificates/CLN/Hybrid Securities] is only available on the basis of the combination of these Final Terms, the Base Prospectus dated as of [original date], as supplemented and the Base Prospectus dated as of 24 June 2015 [, as supplemented].

The Base Prospectus dated as of [original date], as supplemented and the Base Prospectus dated as of 24 June 2015 [and the Supplement(s)] are available on the website of Exane (www.exane.com/exaneissues). [A summary of the issue of the Securities is attached as a schedule to these Final Terms.]⁶ The Base Prospectus dated as of [original date], as supplemented, the Base Prospectus dated as of 24 June 2015[, as supplemented by the Supplement(s)] and these Final Terms are available for inspection and copies may be obtained from the registered office of the Issuer, [(option – delete if not applicable) the registered office registered office of the Principal Paying Agent / the registered office of the Pledged Account Custodian / the registered office of the Luxembourg Paying Agent and on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

⁴ In case of a Non-exempt Offer only

⁵ Only applicable to Securities with a nominal value of less than euros 100,000 and/or in case of listing or admission to a regulated market

⁶ Only applicable to Securities with a nominal value of less than euros 100,000 and/or in case of listing or admission to a regulated market .

[Complete all the following headings, or specify "Not applicable" (N/A). The numbering must remain identical to the numbering below, even if "Not applicable" is indicated for a specific paragraph or subparagraph. Terms in italics are instructions to facilitate completion of the Final Terms.]

GENERAL PROVISIONS

1. **Calculation Agent :** Exane Derivatives / [●]
2. **Settlement Confirmation Agent :** [(Only applicable in case of Securites benefiting from a Pledge) BNP Paribas Securities Services / [●]] / Not applicable
3. **Currency :** [●]
4. **Settlement Currency(ies) :** [●]
 - (a) **Conversion Rate:** [●]
5. **Issue Size :**
 - (a) **Series :** [●]
 - (b) **Tranche :** [●][(if the Tranche is fungible with a previous Series) Securities shall be fungible and form a single series with (insert number of previous Tranches of the series) on [Issue Date of the Tranche].
6. **Nominal Value :** [●] / Not applicable
7. **Issue Price :** [●] per Certificate / CLN / Hybrid Security / [●]% of the Nominal Value / Not applicable
8. **Trade Date :** [●]
9. **Issue Date :** [●]
10. **Interest Commencement Date :** [Issue Date of the Securities / (specify)] / Not applicable]
11. **Scheduled Maturity Date :** [●]
12. **Maturity Date:** [[●] / [(for CLN or Hybrid Securities) the **Scheduled Maturity Date**, subject to the provisions of Condition 6 (specify)] / [Not applicable]]
13. **Minimum Trading Number :** [●]
14. **Interest Basis :** (For Certificates)

[Not applicable / Fixed Rate / Floating Rate / Interest linked to Shares / Interest linked to Indices / Interest linked to Futures Contracts /

Interest linked to Funds / Interest linked to Exchange Rates / Interest linked to Debt Securities / Interest linked to Listed Options / Interest linked to Commodities (*combination of the above, please specify*)]

(For CLN)

[Fixed Rate]

[Floating Rate]

[Partly Paid]

[Zero Coupon]

[Non-principal amounts are linked to the Underlyings and are paid to Holders within [5] Business Days of receipt by the Issuer.]

(For Hybrid Securities)

[Specify the rate of the CLN portion and of the Underlying portion]

15. Settlement Basis :

(For Certificates)

[Settlement at par / Settlement linked to Shares / Settlement linked to Indices / Settlement linked to Futures Contracts / Settlement linked to Funds / Settlement linked to Exchange Rates / Settlement linked to Debt Securities / Settlement linked to Listed Options / Settlement linked to Commodities (*combination of the above, please specify*)]

(For CLN)

[Credit linked Settlement]

(For Hybrid Securities)

[Credit linked Settlement and [●]] (for the Underlying-Linked Portion specify from amongst the settlement types for Certificates referred to above)]

16. Change of Interest Basis :

[Not applicable / Applicable (for Fixed /Floating Rate Securities) / (Provide details on conversion of the Fixed/Floating Rate Securities in accordance with Condition 4.3)

17. Business Day Convention :

[Following Business Day /Modified Following Business Day / Preceding Business Day]

18. Multi Underlyings :	[Applicable / Not applicable]
19. Basket of Multi Underlyings	[Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]
(a) Exchange Business Day :	<i>(For Basket composed of various type of Underlyings)</i> [Exchange Business Day (All Underlyings Basis) / Exchange Business Day (Per Underlying Basis)]
(b) Scheduled Trading Day :	<i>(For Basket composed of various type of Underlyings)</i> [Scheduled Trading Day (All Underlyings Basis) / Scheduled Trading Day (Per Underlying Basis)]
20. Type(s) of Underlying	
Underlying(s): Share(s)	[Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]
(a) Share(s) :	[●] (specify the share(s), ordinary share capital security(ies), Depository Receipt(s), ETF Unit(s))
(b) Weighting / W_i :	[●] (specify only for Baskets of Shares) / Not applicable
(c) Initial Observation Date:	[Refer to the Technical Annex of the Final Terms] / Not applicable
(d) Company:	[●]
(e) Quantity :	[●]
(f) Exchange(s) :	[●]
(g) Related Exchange(s) :	[●]
(h) Valuation Time :	[●] / In accordance with Condition 5.7
(i) Exchange Business Day :	[Exchange Business Day (Single Share Basis) <i>(where single Share-linked)</i>] / [Exchange Business Day (All Shares Basis) / Exchange Business Day (Per Share Basis) <i>(where Basket of Shares -linked)</i>]
(j) Scheduled Trading Day :	[Scheduled Trading Day (Single Share Basis) <i>(where single Share-linked)</i>] / [Scheduled Trading Day (Per Share Basis) / Scheduled Trading Day (All Shares Basis) <i>(where Basket of Shares-linked)</i>]
(k) Initial Price :	[●] / In accordance with Condition 5.7 / Not applicable

- (l) Reuters Code(s): [●] / Not applicable
- (m) Bloomberg Code(s): [●] / Not applicable
- (n) ISIN Code(s): [●] / Not applicable
- (o) ETF Administrator: [●] / Not applicable (only applicable if the Share is an ETF Unit)
- (p) ETF Advisor: [●] / Not applicable (only applicable if the Share is an ETF Unit)
- (q) ETF : [●] / Not applicable (only applicable if the Share is an ETF Unit)
- (r) ETF Underlying Index: [●] / Not applicable (only applicable if the Share is an ETF Unit)
- (s) Underlying Share: [●] / Not applicable (only applicable if the Share is a Depository Receipt)
- (t) DR Specified Currency: [●] / Not applicable (only applicable if the Share is a Depository Receipt)
- (u) DR Sponsor: [●] / Not applicable (only applicable if the Share is a Depository Receipt)

Underlying(s): Index(es)

[Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]

- (a) Index(es) : [●] (specify if Mono-Exchange Index, Multi-Exchange Index or Proprietary Index)
- (b) Quantity : [●]
- (c) Weighting / W(i) : [●] (if *Index Basket*) / Not applicable
- (d) Sponsor(s) : [●]
- (e) Index Adviser: [●] (for Proprietary Index only) / Not applicable
- (f) Exchange(s) : [●] / Not applicable
- (g) Related Exchange(s) [●] / Not applicable
- (h) Exchange Business Day : [Exchange Business Day (Single Index Basis) (*where single Index-linked*)] / [Exchange Business Day (All Indices Basis) / Exchange Business Day (Per Index Basis) (*where Index Basket-linked*)] / Not applicable
- (i) Scheduled Trading Day : [Scheduled Trading Day (Single Index Basis) (*where single Index-linked*)] / [Scheduled Trading Day (All Indices Basis) / Scheduled

Trading Day (Per Index Basis) (*where Index Basket-linked*)

(j) Valuation Time : [●] / [In accordance with Condition 5.8]

(k) Reuters Code(s): [●] / Not applicable

(l) Bloomberg Code(s): [●] / Not applicable

(m) ISIN Code(s): [●] / Not applicable

Underlying(s): Futures Contract(s) [Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]

(a) Futures Contract(s): [●]

(b) Weighting / W_i : [●] (*if Basket*) / Not applicable

(c) Futures Contract Underlying: [●] (specify the share(s), the index(ices), the debt instrument(s) or the commodity(ies))

(d) Quantity: [●]

(e) Exchange(s): [●]

(f) Exchange Business Day : [Exchange Business Day (Single Futures Contract Basis) (*where single Futures Contract-linked*)] / [Exchange Business Day (All Futures Contracts Basis) / Exchange Business Day (Per Futures Contract Basis) (*where Basket of Futures Contracts-linked*)]

(g) Scheduled Trading Day : [Scheduled Trading Day (Single Futures Contract Basis) (*where single Futures Contract-linked*)] / [Scheduled Trading Day (All Futures Contracts Basis) / Scheduled Trading Day (Per Futures Contract Basis) (*where Basket of Futures Contracts-linked*)]

(h) Valuation Time : [●] / [In accordance with Condition 5.11]

(i) Reuters Code(s): [●] / Not applicable

(j) Bloomberg Code(s): [●] / Not applicable

(k) ISIN Code(s): [●] / Not applicable

(l) Futures Contract Sponsor : [●]

Underlying(s) : Fund Units [Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]

(a) Fund(s): [●]

(b) Weighting / W_i : [●] (*if Fund Basket*) / Not applicable

- (c) Valuation Date : [●] / In accordance with Condition 5.10
- (d) Valuation Time : [●] / In accordance with Condition 5.10
- (e) Fund Business Day: [Fund Business Day (Single Fund Basis) (*where single Fund Unit-linked*)] / [Fund Business Day (All Funds Basis) / Fund Business Day (Per Fund Basis) (*where Basket of Fund Units-linked*)]/ Not applicable
- (f) Quantity : [●]
- (g) Reuters Code(s): [●] / Not applicable
- (h) Bloomberg Code(s): [●] / Not applicable
- (i) ISIN Code(s): [●] / Not applicable
- (j) Fund Administrator: [●]
- (k) Management Company: [●]
- (l) Fund Adviser: [●]
- (m) Depositary : [●]
- (n) Maximum Subscription Fees: [●]
- (o) Maximum Settlement Fees: [●]
- (p) Fund Holding Event Percentage : [●] / In accordance with Condition 5.10
- Underlying(s): Exchange Rate** [Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]
- (a) Exchange Rate: [●]
- (b) Quantity: [●]
- (c) Weighting / W_i : [●] (*if Basket*) / Not applicable
- (d) Distributor(s): [●]
- (e) Valuation Time: [●] / [In accordance with Condition 5.13]
- Underlying(s): Debt Instrument(s)** [Applicable / (if not applicable, delete the following sub-paragraphs)]
- (a) Debt Instrument(s): [●] (specify, if applicable, whether it is a Bond, a Convertible Bond, a Perpetual Bond or a Contingent Bond)
- (b) Company(ies): [●]

- (c) Debt Instrument Nominal Value: [●]
- (d) Debt Instrument Maturity Date: [●]
- (e) Weighting / W_i : [●] / (if Basket of Debt Instruments) / Not applicable
- (f) Quantity: [●]
- (g) Exchange(s) : [●]
- (h) Related Exchange(s) : [●]
- (i) Valuation Time : [●] / In accordance with Condition 5.14
- (j) Exchange Business Day: [Exchange Business Day (Single Debt Instrument Basis) (*where single Debt Instrument-linked*)] / [Exchange Business Day (All Debt Instruments Basis) / Exchange Business Day (Per Debt Instrument Basis) (*where Debt Instrument Basket-linked*) / any Business Day]
- (k) Scheduled Trading Day: [Scheduled Trading Day (Single Debt Instrument Basis) (*where single Debt Instrument-linked*))] / [Scheduled Trading Day (Per Debt Instrument Basis) / Scheduled Trading Day (All Debt Instruments Basis) (*where Debt Instrument Basket-linked*)]
- (l) Debt Instrument Price: [●] / [In accordance with Condition 5.14]
- (m) ISIN Code(s): [●] / Not applicable
- (n) Bloomberg Code(s): [●] / Not applicable
- (o) Reuters Code(s): [●] / Not applicable
- (p) Screen Page: [●] / Not applicable
- (q) Conversion Rate: [●] / Not applicable
- (r) Capitalisation Rate: [●] / Not applicable
- Underlying(s): Listed Option(s)** [Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]
- (a) Listed Option(s) : [●]
- (b) Weighting / W_i : [●] (*if Basket*) / Not applicable
- (c) Exchange(s) : [●]
- (d) Quantity : [●]

(e)	Reuters Code(s):	[●]
(f)	Bloomberg Code(s):	[●]
(g)	ISIN Code(s):	[●]
(h)	Valuation Time :	[●] / [In accordance with Condition 5.12]
Underlying(s) : Commodity(ies)		[Applicable / Not applicable (if not applicable, delete the following sub-paragraphs)]
(a)	Commodity(ies) :	[●]
(b)	Precious Metals:	[Gold (specify if non-allocated non-compliant with LBMA rules Gold) / Silver (specify if non-allocated non-compliant with LBMA rules Silver) / Platinum (specify if non-allocated non-compliant with LPPM rules Platinum) / Palladium (specify if non-allocated non-compliant with LPPM rules Palladium) / [specify other metal] / Not applicable]
(c)	Weighting / W_i :	[●] (<i>if Basket</i>) / Not applicable
(d)	Basket:	[Not Applicable / Multi-Exchange Basket/ Mono-Exchange Basket]
(e)	Quantity :	[●]
(f)	Initial Price :	[●]
(g)	Commodity Reference Price Sponsor:	[●]
(h)	Commodity Reference Price:	[●]
(i)	Material Price Differential Percentage:	[●] / Not applicable
(j)	Exchange(s) :	[●] / Not applicable
(k)	Related Exchange(s) :	[●] / Not applicable
(l)	Reuters Code(s):	[●] / Not applicable
(m)	Bloomberg Code(s):	[●] / Not applicable
(n)	ISIN Code(s):	[●] / Not applicable
(o)	Barrier :	[●] / Not applicable
(p)	Commodity Reference Broker:	[●] / Not applicable
(q)	Precious Metals Reference	

	Broker:	☐ / Not applicable
(r)	Valuation Time :	☐ / In accordance with Condition 5.9
(s)	Exchange Business Day :	[Exchange Business Day (Single Commodity Basis) (<i>where single Commodity-linked</i>)] / [Exchange Business Day (Per Commodity Basis) / Exchange Business Day (All Commodities Basis) (<i>where Commodity Basket-linked</i>)]
(t)	Scheduled Trading Day :	[Scheduled Trading Day (Single Commodity Basis) (<i>where single Commodity-linked</i>)] / [Scheduled Trading Day (All Commodities Basis) / Scheduled Trading Day (Per Commodity Basis) (<i>where Commodity Basket-linked</i>)]
21.	Securities linked to Credit Events (Types of CLN or Types of Credit Linked Portion)	Applicable/Not applicable (if not applicable, delete the following sub-paragraphs)
(a)	Quantity (Condition 1.1):	☐
(b)	Mono-Underlying CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
(c)	First/nth to Default CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
(d)	Basket CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
(e)	Tranched CLN (Condition 1.2 or 1.3)	[Applicable / (Please delete if not applicable)]
(f)	Index-Linked CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
	(i) Index :	☐
	(ii) Sponsor :	☐
(g)	Reference Portfolio (Condition 1.2 or 1.3):	Not applicable / ☐
(h)	Principal Protected CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
(i)	CDS Spread-Linked CLN (Condition 1.2 or 1.3):	[Applicable / (Please delete if not applicable)]
(j)	Specified Currency (Condition 1.2 or 1.3):	☐ / In accordance with Condition 1.2 / 1.3 / ☐
22.	Credit Linked Portion:	[Not applicable / (<i>Applicable if Hybrid Security</i>).

[●] % of the Nominal Value / [●]]

23. **Underlying-Linked Portion:** [Not applicable / (*Applicable if Hybrid Security*).
[●] % of the Nominal Value / [●]]

INTEREST PROVISIONS

24. **Ex-Date (Condition 1.1):** Not applicable / [●]

25. **Fixed Rate Interest provisions (Condition 4.1):** [Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)

- (a) Rate(s) of Interest: [●] per cent per annum [payable
[annually/semi-annually/quarterly/monthly] in
arrear]

- (b) Interest Payment Date(s): [●]

- (c) Fixed Coupon Amount [(s)] : [●]

- (d) Broken Amount: [Insert particulars of any initial or final broken
interest amounts which do not correspond with
the Fixed Coupon Amount(s) and the Interest
Payment Date(s) to which they relate] / Not
applicable

- (e) Day Count Fraction (Condition 1.1) : [Actual/365 - FBF - Actual/Actual - ISDA -
Actual/Actual]

[Actual/Actual - FBF]

[Actual /365 (Fixed)]

[Actual / 360]

[30E / 360- Eurobond Basis]

[30/360 - FBF - Actual 30A/360 (American
Bond Basis)]

[Actual / Actual (ICMA)]

[30/360]

[30/360 - 360/360 - Bond Basis]

[30E/360 (ISDA)]

- (f) Interest Determination Date(s): [●] / [In accordance with Condition 1.1] [insert
the day(s) and the month(s) when interest is
normally paid (if several, then insert such dates
in the alternative)] in each year [(only complete
for issues for which the Day Count Fraction is
Actual / Actual - ICMA)]

26.	Floating Rate Interest provisions (Condition 4.2):	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
(a)	Floating Rate :	[EONIA/EUR-EURIBOR- Reference Banks /IBOR/CMS] (specify the reference market and the months, eg EURIBOR 3 months)
(b)	Margin :	[+/-] [●] % per annum.
(c)	Business Day Convention:	[Floating Rate Business Day /Following Business Day / Modified Following Business Day / Preceding Business Day]
(d)	Method of Floating Rate determination:	
(i)	ISDA Determination:	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
	Floating Rate Option:	[●]
	Designated Maturity:	[●]
	Reset Date:	[●] / In accordance with Condition 4.2 C (i) III
(ii)	FBF Determination:	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
	Floating Rate Option:	[●]
	Floating Rate Determination Date:	[●]
(iii)	Screen Rate Determination:	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
	Floating Rate :	[●]
	Reference Rate:	[IBOR/EONIA/EUR-EURIBOR- Reference Bank/CMS]
	Interest Determination Date(s) :	[●] / In accordance with Condition 1.1]
	Relevant Time:	[●] / In accordance with Condition 1.1
	Principal Source:	[Specify “Screen” or “Reference Banks”]
	Screen Page :	Reuters EURIBOR01/ [●]
	Reference Banks:	[●] / In accordance with Condition 1.1
	Reference Business	[●] / In accordance with Condition 1.1

Centre(s) :

- (e) Representative Amount: [●] / In accordance with Condition 1.1
- (f) Specified Duration: [●] / [interest period, ignoring adjustments]
- (g) Interest Payment Date(s) / relevant Scheduled Interest Payment Date(s): [●] (if applicable, specify the dates)
- (h) Scheduled Period(s) / relevant Interest Payment Dates: [●] (if applicable, specify the dates)
- (i) Interest Determination Date(s): [The date falling [●] Business Days prior to the Interest Payment Date for each Calculation Period/The date falling [●] Business Days prior to the beginning of each Calculation Period// (if other, specify)]
- (j) Minimum Rate of Interest: Not applicable/ [●] per cent. per annum
- (k) Maximum Rate of Interest: Not applicable [●] per cent. per annum
- (l) Day Count Fraction (Condition 1.1) : [Actual /365 - FBF - Actual / Actual – ISDA – Actual / Actual]
[Actual / Actual - FBF]
[Actual /365 (Fixed)]
[Actual / 360]
[30E / 360- Eurobond Basis]
[30/360 - FBF – Actual 30A/360 (American Bond Basis)]
[Actual / Actual (ICMA)]
[30/360]
[30/360 – 360/360 - Bond Basis]
[30E/360 (ISDA)]
- (m) Coefficient Multiplier: Not applicable/ [●]
27. **Zero Coupon provisions (Conditions 4.4 and 5.6):** [Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
- (a) Accrual Yield (Condition 5.6) : [●] per cent. per annum.
- (b) Reference Price : [●] % / In accordance with Condition 5.6
- (c) Day Count Fraction (Condition 1.1) : [Actual/365 - FBF - Actual / Actual – ISDA –

1.1) : Actual/Actual]

[Actual/Actual - FBF]

[Actual/365 (fixed)]

[Actual/360]

[30E/360- Eurobond basis]

[30/360 - FBF – Actual 30A/360 (American bond basis)]

[Actual/Actual (ICMA)]

[30/360]

[30/360 – 360/360 – Bond basis]

[30E/360 (ISDA)]

28. Provisions relating to Securities linked to one or more Underlying(s) : [Applicable (*Insert the following paragraph if interest payments are linked to one or more Underlying(s)*)] [Interest payments on Securities linked to one or more Underlying(s) shall be calculated in accordance with the following calculation formula : Interest Amount linked to a Formula or to an Applicable Value / Coupon Floored to the Previous Coupon / Coupon Capped to the Previous Coupon / Conditional Coupon / Tempo Coupon / Performance Detached Coupon / Capped and Floored Performance Detached Coupon / Fixed Coupon / Incremental Coupon / Not applicable]

29. Late payment/delivery interest (Condition 13) : [EONIA Rate/ (other: specify the applicable rate)]

PROVISIONS RELATING TO SETTLEMENT

30. Final Settlement Amount of the Certificates (Condition 5.2): [Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs. N.B : this item should be "Not Applicable" in the case of CLN and Hybrid Securities)

(a) Final Settlement Amount: [[●] / In accordance with Condition 1.1 /Fixed Settlement Amount (paragraph 8 a. i. of the Technical Annex) / Bond Backed Settlement Amount (paragraph 8 a. ii. of the Technical Annex) / Delta One Settlement Amount (paragraph 8 a. iii. of the Technical Annex)/ Indexed Settlement Amount (paragraph 8 a. iv. of the Technical Annex)/ Conditional Settlement Amount (paragraph 8 a. v. of the Technical

Annex) / Composite Settlement Amount (paragraph 8 a. vi. of the Technical Annex)] / Combined Settlement Amount (paragraph 8 a. vii. Of the Technical Annex) / *[insert the applicable formula in case of exempted Securities]]*

- (b) Cash Settlement and/or Physical Settlement: [●]

31. Final Settlement Amount for CLN (Conditions 6 and 7)

[Applicable : Subject to Conditions 6 and 7, the Final Settlement Amount for each CLN shall be: Final Settlement Amount Nominal Value / Alternative Final Settlement Amount / Not applicable] *(if not applicable, delete the following sub-paragraphs. N.B : this item should be "Not applicable" for Certificates and Hybrid Securities).*

- (a) Final Settlement Amount :

[Final Settlement Amount Nominal Value / First Alternative Final Settlement Amount Second Alternative Final Settlement Amount/ Third Alternative Final Settlement Amount ⁷ / Not applicable]

If First Alternative Final Settlement Amount is applicable and if different from the amount described in the definition of First Alternative Final Settlement Amount, specify the applicable amount : [specified the amount] / Not applicable

If Second Alternative Final settlement Amount is applicable and if different from the amount described in the definition Second Alternative Final Settlement Amount, specify the applicable amount: [specified the amount] / Not applicable

With

Second Alternative Final Settlement Method:

Second Alternative Long CDS Final Settlement Method : Not applicable/Cash Settlement Method/Auction Settlement Method

Second Alternative Shord CDS Final Settlement Method: Not applicable/Cash Settlement Method/Auction Settlement Method

Second Alternative Shord CDS Final

⁷ For the avoidance of doubt, this Third Alternative Final Settlement Amount shall be only applicable to CLN with a Nominal Value of not less than euros 100 000.

- (b) Type of Settlement : [Not applicable / American Settlement / European Settlement/ Settlement by Instalments]
- If European Settlement is applicable
- Include European Settlement Interest Accrual : [Applicable / Not applicable]
- (c) Settlement Method: [Auction Settlement]
- [Cash Settlement]
- [Physical Settlement]
- (d) Fallback Settlement Method: [Cash Settlement]
- [Physical Settlement]
- [Not applicable]
- (e) Conditions to Settlement Notice of Publicly Available Information : Applicable/not applicable
- If applicable: Specified numbers [●]
- (f) Unwind Costs Applicable: [In accordance with Condition 1.2 / 1.3 / [●]]/ [specified the amount]/Not applicable
- (g) Hypothetical Credit Default Swap Applicable/Not Applicable
- [Condition to be completed]
- 32. Final Settlement Amount for Hybrid Securities (Conditions 6 and 7)** [Applicable : Subject to Conditions 6 and 7, the Final Settlement Amount for each Hybrid Security shall be the sum of (i) Settlement Amount of the Credit Linked Portion and (ii) the Underlying Settlement Amount of the Underlying-Linked Portion / Not Applicable] *(if not applicable, delete the following subparagraphs. N.B : this item should be "Not Applicable" in the case of Certificates and CLN) (For Hybrid Securities)*
- (a) Credit Linked Portion
- (i) Type of Settlement : [Not applicable / American Settlement / European Settlement / Settlement by Instalments]
- If European Settlement is applicable

Include European Settlement Interest Accrual :
[Applicable / Not applicable] Underlying-
Linked Portion is affected/ not affected

If American Settlement is applicable

Underlying-Linked Portion is affected/ not
affected

- (ii) Settlement Amount of the Credit-Linked Portion [Final Settlement Amount Nominal Value / First Alternative Final Settlement Amount Second Alternative Final Settlement Amount/ Third Alternative Final Settlement Amount ⁸ / Not applicable]

If Alternative Final Settlement Amount is applicable and if different from the amount described in the definition of Alternative Final Settlement Amount, specify the applicable amount : [specified the amount] / Not applicable

- (iii) Settlement Method: [Auction Settlement]
[Cash Settlement]
[Physical Settlement]

- (iv) Fallback Settlement Method: [Cash Settlement]
[Physical Settlement]
[Not applicable]

- (v) Conditions to Settlement Notice of Publicly Available Information :
Applicable/not applicable
If applicable: Specified numbers [●]

- (vi) Unwind Costs Applicable: [In accordance with Condition 1.2 / 1.3 / [●]]/ [specified the amount]/Not applicable

- (vii) Hypothetical Credit Default Swap Applicable/Not applicable
[Condition to be completed]

- (b) Underlying-Linked Portion:

⁸ For the avoidance of doubt, this Third Alternative Final Settlement Amount shall be only applicable to CLN with a Nominal Value of not less than euros 100 000.

- (i) Underlying Settlement Amount: [[●] / In accordance with Condition 1.1 /Fixed Settlement Amount (paragraph 8 a. i. of the Technical Annex) / Bond Backed Settlement Amount (paragraph 8 a. ii. of the Technical Annex) / Delta One Settlement Amount (paragraph 8 a. iii. of the Technical Annex)/ Indexed Settlement Amount (paragraph 8 a. iv. of the Technical Annex)/ Conditional Settlement Amount (paragraph 8 a. v. of the Technical Annex) /Composite Settlement Amount (paragraph 8 a. vi. of the Technical Annex)] / Combined Settlement Amount (paragraph 8 a. vii. Of the Technical Annex) / *[insert the applicable formula in case of exempted Securities]*]
- (ii) Cash Settlement and/or Physical Settlement: [●]
- (iii) In the case of Physical Settlement, option to have payment of coupons detached from Shares/ Fund Units/ Debt Instruments : [Applicable / Not applicable]

SPECIFIC CREDIT LINKED NOTE OR CREDIT LINKED PORTION OF HYBRID SECURITIES PROVISIONS

(if the Securities are Certificates, insert "Not applicable" for items 33 to 51 below)

33. Tranché CLN	Applicable/Not applicable
	(Provisions relating to Tranché CLN : if not applicable delete the remaining subparagraphs)
(a) Aggregate Loss Amount	As per Condition 1.2 / 1.3 / [●]
(b) Loss Amount	As per Condition 1.2 / 1.3 / [●]
(c) Reference Entity Notional Amount	As per Condition 1.2 / 1.3 / [●]
(d) Tranche subordination Amount	As per Condition 1.2 / 1.3 / [●]
(e) Tranche Notional Amount	As per Condition 1.2 / 1.3 / [●]
(f) Attachment Point	[●]%
(g) Detachment Point	[●]%
(h) Reference Portfolio Notional Amount	As per Condition 1.2 / 1.3 / [●]
(i) Reference Price	[●]%

(j)	Reference Entity Weighting	[●]% / [●]
34.	Credit Event(s) (Condition 1.2 or 1.3):	[Not applicable] / [Applicable] [Name of the Settlement Physical Settlement Matrix] (delete the credit events that do not apply) [Obligation Default] Default Requirement: [USD 1,000,000 or its equivalent in any other currency at the time the relevant Failure to Pay occurs.] / [●]] [Bankruptcy] [Obligation Acceleration] [Failure to Pay: Payment Requirement: [USD 1,000,000 or its equivalent in any other currency at the time the relevant Failure to Pay occurs.] / [●]] [Repudiation/Moratorium] [Restructuring : [Mod R: applicable] [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable] [Multiple Holder Obligation: Applicable / Not Applicable]]
35.	Portion affected by a Credit Event (Condition 1.2 or 1.3):	[(for CLN linked to a Basket) / In accordance with Condition 1.2 / 1.3 / [●]]/ [(for CLN not linked to a Basket) / In accordance with Condition 1.2 / 1.3 / [●]] / Not Applicable
36.	Notice Delivery Period	[In accordance with Condition 1.2 / 1.3 / [●]][Other]
37.	Grace Period (Condition 1.2 or 1.3):	number of days / In accordance with Condition 1.2 / 1.3 / [●]Not applicable
38.	Grace Period Extension (Condition 6.1(ii)):	[Applicable / Not applicable]
39.	Obligation Category (Condition 1.2 or 1.3):	[Not applicable] /

		[Payment]
		[Borrowed Money]
		[Reference Obligation Only]
		[Bond]
		[Loan]
		[Bond or Loan]
40.	Obligation Characteristics (Condition 1.2 or 1.3):	[Not applicable] /
		[Listed]
		[Not Domestic Issuance]
		[Not Subordinated]
		[Specified Currency]
		[Not Sovereign Lender]
		[Not Domestic Currency]
		[Not Domestic Law]
41.	Excluded Obligation (Condition 1.2 or 1.3):	[Not applicable] / [None/[●] (specify any Obligation of the reference Entity)]
42.	Deliverable Obligation	Applicable/Not applicable[Not applicable] /
	Deliverable Category (Condition 1.2 or 1.3):	
		[Payment]
		[Borrowed Money]
		[Reference Obligation Only]
		[Bond]
		[Loan]
		[Bond or Loan]
	Deliverable Obligation Characteristics:	Means, as at the Delivery Commencement Date, such obligation (or, if applicable, the Underlying Obligation) shall have the following characteristics:

		[Listed, Transferable, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Accelerated or Matured, Not Bearer, Maximum Maturity, Not Subordinated, Specified Currency, Not Domestic Currency, Not Domestic Law and Not Sovereign Lender]
43.	Excluded Deliverable Obligations (Condition 1.2 or 1.3):	[●] / (specify Obligation(s) of a Reference Entity) / [Not applicable]
44.	Include Accrued Interest	[●] / [Not applicable]
45.	Reference Entity / Reference Entities (Condition 1.2 or 1.3):	[●] / [Not applicable]
46.	Additional provisions relating to certain specific Reference Entities	Not applicable/ Applicable, if relevant as per Condition 6.15.
47.	Reference Obligation(s) (Condition 1.2 or 1.3):	[●] / [Not applicable]
48.	All Guarantees (Condition 1.2 or 1.3):	[Applicable (if applicable, delete the following sub-paragraphs) / Not applicable] Primary Obligor: [Reference Entity / specify] Guarantor : [None / [●]] Maturity Date: [●] Coupon : [●] ISIN / CUSIP Code: [●]
49.	Cash Settlement (Condition 6.4):	[Applicable / Not applicable] The Issuer shall redeem the CLN in accordance with Condition 6.4. <i>(if not applicable, delete the following sub-paragraphs)</i> (a) Cash Settlement Amount: [●] (b) Final Price: [Applicable / Not applicable] <i>(if Final Price is fixed, specify the percentage and delete the following sub-paragraphs)</i> Valuation Date: [Single Valuation Date: [●] Business Days / In accordance with Condition 1.2 / 1.3 / [●]]

		[Multiple Valuation Dates: [●] Business Days / [In accordance with Condition 1.2 / 1.3 / [●]]] and each [[●] Business Days thereafter / In accordance with Condition 1.2 / 1.3 / [●]]
		[Number of Valuation Dates: [●] / In accordance with Condition 5]
	Valuation Time:	[●] / [In accordance with Condition 1.2 / 1.3 / [●]]
	Quotation Method:	[[Bid / Mid-Market / Offer] / In accordance with Condition 1.2 / 1.3 / [●]]
	Quotation Amount:	[●] / [In accordance with Condition 1.2 / 1.3 / [●]]
	Minimum Quotation Amount:	[●] / The lower of (1) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (2) the Quotation Amount.
	Dealer :	[●] / In accordance with Condition 1.2 / 1.3 / [●]
(c)	Accrued Interest:	[Applicable / Not applicable]
(d)	Currency:	[●]
(e)	Settlement Currency:	[●]
(f)	[Reference Price:	[[●] / 100%]
(g)	Valuation Method:	[Highest] / [Market] [Average Market] / [Average Highest] Blended Market][Blended Highest] [Average Blended Market] [Average Blended Highest]
50.	Physical Settlement (Condition 6.5):	[Applicable / Not applicable] <i>(if not applicable, delete the following sub- paragraphs)</i>
	(a) Deliverable Obligations	[●]
51.	Auction Settlement (Condition 6.3):	[Applicable / Not applicable] <i>(if applicable</i> (In accordance with Condition 6.3) The Issuer shall redeem the CLN in accordance with the Auction Settlement provisions of Condition 6.3
	(a) Auction Settlement Date:	[●]

(b) Auction Settlement Amount: [●]

EARLY SETTLEMENT AND OPTIONAL SETTLEMENT PROVISIONS

52. Automatic Early Settlement (Condition 5.16): [Applicable/Not applicable / (if not applicable, delete the following sub-paragraphs)]

(a) Automatic Early Settlement Condition : [European Barrier Condition (paragraph 5. a. i of the Technical Annex) / Daily Barrier Condition (paragraph 5. a. ii of the Technical Annex) / Bermudan Barrier Condition (paragraph 5. a. iii of the Technical Annex) / American Barrier Condition (paragraph 5. a. iv of the Technical Annex) / Reference Date Condition (paragraph 5 a. v. of thr Technical Annex) / refer to the Technical Annex to the Final Terms]

(b) Automatic Early Valuation Date(s): [●]

(c) Automatic Early Settlement Amount: [In accordance with Condition 1.1 / Fixed Settlement Amount (paragraph 8 b. i. of the Technical Annex) / Bond Backed Settlement Amount (paragraph 8 b. ii. of the Technical Annex) / Delta One Settlement Amount (paragraph 8 b. iii. of the Technical Annex)/ Indexed Settlement Amount (paragraph 8 b. iv. of the Technical Annex) / Conditional Settlement Amount(paragraph 8 b. v. of the Technical Annex) / Composite Settlement Amount (paragraph 8 b. vi. of the Technical Annex) / Combined Settlement Amount (paragraph 8 b. vii. of the Technical Annex)] [insert the applicable formula in case of exempted Securities]

(d) Automatic Early Settlement Date(s) : [●]

(e) Cash Settlement and/or Physical Settlement: [●]

53. Settlement Option at the Issuer's discretion (Condition 5.4): [Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)

(a) Optional Settlement Date(s): [●]

(b) Reference Date for the Issuer : [●] / Not applicable

(c) Optional Settlement Amount(s) : [In accordance with Condition 1.1 / Fixed Settlement Amount (paragraph 8 b. i. of the Technical Annex) / Bond Backed Settlement Amount (paragraph 8 b. ii. of the Technical

		Annex) / Delta One Settlement Amount (paragraph 8 b. iii. of the Technical Annex)/ Indexed Settlement Amount (paragraph 8 b. iv. of the Technical Annex) / Conditional Settlement Amount(paragraph 8 b. v. of the Technical Annex) / Composite Settlement Amount (paragraph 8 b. vi. of the Technical Annex) / Combined Settlement Amount (paragraph 8 b. vii. of the Technical Annex)] [insert the applicable formula in case of exempted Securities]
(d)	Partial Settlement:	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
	(i) Minimum Principal Amount Payable:	[●]
	(ii) Maximum Principal Amount Payable :	[●]
(e)	Notice period (if different from the period specified in the Conditions) :	[Not applicable / [●] days (if different than as set out in the Conditions)
(f)	Option Trigger:	[Applicable / Not applicable (if not applicable, delete the following sub-paragraph)]
	(i) Option Threshold Trigger:	[●] / In accordance with Condition 1.1
(g)	Cash Settlement and/or Physical Settlement:	[●]
54.	Settlement Option at the Holder's discretion (Condition 5.5):	[Applicable / Not applicable] (if not applicable, delete the following sub-paragraphs)
(a)	Optional Settlement Date(s) :	[●]
(b)	Reference Date for the Holder:	[●] / Not applicable
(c)	Optional Settlement Amount(s) :	[In accordance with Condition 1.1 /Fixed Settlement Amount (paragraph 8 b. i. of the Technical Annex) / Bond Backed Settlement Amount (paragraph 8 b. ii. of the Technical Annex) / Delta One Settlement Amount (paragraph 8 b. iii. of the Technical Annex)/ Indexed Settlement Amount (paragraph 8 b. iv. of the Technical Annex)/ Conditional Settlement Amount(paragraph 8 b. v. of the Technical Annex) / Composite Settlement Amount (paragraph 8 b. vi. of the Technical Annex) / Combined Settlement Amount (paragraph 8 b. vii. of the Technical Annex)]

- [insert the applicable formula in case of exempted Securities]
- (d) Notice period: [Not applicable / [●] days]
- (e) Cash Settlement and/or Physical Settlement: [●]
- 55. Information relating to Settlement by Instalments (Condition 5.3):** [Not applicable / Applicable] (if not applicable, delete the following sub-paragraphs)
- (a) Instalment Amount(s) : [●]
- (b) Instalment Date(s) : [●]
- 56. Information relating to Partly Paid Certificates / CLN or Hybrid Securities (Condition 5.17):** [Applicable / Not applicable]

MARKET DISRUPTION AND ADJUSTMENTS

- 57. Capitalised Fair Market Value Option (Conditions 5.7 to 5.14):** [Applicable / Not applicable / (if not applicable, delete the following sub-paragraph)]
- Capitalisation Rate applicable to the Capitalised Fair Market Value: [●] / capitalised EONIA rate, as determined on Bloomberg EONCAPL7 Index screen page
- 58. Adjustment Methods** Applicable / Not applicable (if not applicable, please delete the following paragraph)
- (a) Share All / Related Exchange Method / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
- (b) Index All / Related Exchange Method / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
- (c) Commodities All / Related Exchange Method / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
- (d) Funds All / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
- (e) Futures Contract All / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
- (f) Listed Options All / Calculation Agent Method / Settlement

	Method [insert the method by using formulae of the Technical Annex]
(g) Exchange Rate	All / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Technical Annex]
(h) Debt Instrument	All / Related Exchange Method / Calculation Agent Method / Liquidation Method / Settlement Method / [insert the method by using formulae of the Technical Annex]
(i) Credit	All / Calculation Agent Method / Settlement Method [insert the method by using formulae of the Conditions applicable to CLN or Credit Linked Portion of the Hybrid Securities]

PLEDGING OF SECURITIES ACCOUNT

- 59. Additional guarantee in the form of a pledging of securities account (Condition 3.3):** [A copy of the Statement of Pledge / A copy of the Acknowledgement of Pledge may be obtained from the Pledged Account Custodian: BNP Paribas Securities Services - Grands Moulins de Pantin - 9, rue du Débarcadère - 93500 Pantin – France / Other / Not applicable (*if not applicable delete the following subparagraphs*)
- | | |
|--|---|
| (a) Pledged Account Custodian: | [●] |
| (b) Eligible Financial Instruments: | [●] |
| (c) Secured Debt : | Each payment obligation and liability due under the [Certificates/CLN/Hybrid Securities], whether present or future, actual, contingent or owed jointly or severally (or any other capacity whatsoever), within the limits of the mark to market of the [Certificates/CLN/Hybrid Securities] without Issuer spread. |
| (d) Quantity of Eligible Financial Instruments : | [Applicable / Not applicable] |
| (e) Fixed Pledge Value: | [Applicable / Not applicable] |
| (f) Minimum Pledge Value per Certificate/CLN/Hybrid Security : | [Applicable / Not applicable] |
| (g) Pledge Calculation Date: | [●] |
| (h) Composition of the Pledged Account on the Issue Date: | [●] |

OTHER GENERAL PROVISIONS

60. Form of the CLN/Hybrid Securities (Condition 2.2):

(a)	Form of the CLN/Hybrid Securities :	[Bearer/Administered registered/Pure registered]
(b)	Registrar:	[Not applicable / (if applicable provide the name and contact details– (Note that a Registrar must be nominated for CLN in pure registered form))]

61. Form of the Certificates (Condition 2.2):

(a)	Form of the Certificates :	[Bearer/Administered registered/Pure registered]
(b)	Registrar:	[Not applicable / (if applicable provide the name and contact details– (Note that a Registrar must be nominated for Certificates in pure registered form))]

62.	Additional Financial Market(s) (Condition 13.4):	[Not applicable / (specify if applicable - this point concerns the place of payment)]

63.	Provisions governing redenomination, changes in Nominal Value and conventions (Condition 2.5):	[Not applicable / The provisions of Condition 2.5 apply]

Signed on behalf of the Issuer

EXANE FINANCE

[●]

Signed on behalf of the Guarantor

EXANE DERIVATIVES

[●]

PART B – OTHER INFORMATION

1. Listing and Admission to Trading

- (a) Listing application and admission to trading: [Not applicable / Application has been made by the Issuer (or on his behalf) for the [Certificates/CLN/Hybrid Securities] to be listed [on the official list of the Luxembourg Stock Exchange] and admitted to trading on the regulated market of [the Luxembourg Stock Exchange / [●]] with effect from [●]. No assurance can be given that the listing and admission to trading of the Securities will be authorised.]
- (b) Estimate of total expenses related to admission to trading : [Not applicable/ (if applicable, specify the amount)]

2. Rating

[The Securities to be issued [have] / [have not] / been rated:

[Moody's France SAS : [●]

Other: [●]

Moody's France SAS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended by Regulation (EU) No. 513/2011) (the "CRA Regulation"), as it appears on the list published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) dated 3 June 2013.

3. Third Party Information

Not applicable/(if applicable) :

Information contained in the Final Terms that is sourced from a third party has been accurately reproduced and, as far as the Issuer and the Guarantor are aware and are able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

4. Conflicts of Interests of Natural and Legal Persons Involved in The Issue / Offer

[So far as the Issuer is aware, no person involved in the offer of the Certificates/CLN/Hybrid Securities has an interest material to the offer/ (*specify if a conflict of interests exists*).]

5. Reasons for the Offer, Estimated Net Proceeds

- (a) Reasons for the offer and use of proceeds: [The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from each issue of Securities will be used to establish various hedging financial instruments in respect of such Securities. / (*if other, specify*)]
- (b) Estimated total expenses: [Not applicable / (*if applicable, specify*)]
- (c) Estimated net proceeds: [Not applicable / (*if applicable, le specify*)]

6. Fixed Rate Securities Only – Yield

Not applicable/Applicable :

Yield: (specify)]

[(only applicable to offers to the public in France) : Yield spread of [specify]% compared to French OAT (obligations assimilables du Trésor) of similar maturity.

7. Floating Rate Securities Only – Historical Interest Rate

Not applicable/Applicable :

Historical information on EURIBOR, IBOR, EONIA and CMS rates may be obtained from [Reuters].

8. Placement and Subscription

[As at the Issue Date, it is not expected that any placement fees will be payable to third parties in connection with these [Certificates/CLN/Hybrid Securities]. / Exane Derivatives will pay a fee to third parties in connection with the placement of these [Certificates/CLN/Hybrid Securities] in the form of either commission or an amount equal to the difference between the subscription price for the [Certificate/CLN/Hybrid Securities] and the price payable by investors. / Exane Derivatives may receive a placement fee from [a] third party(ies). / Further information on the amount of any fees [paid/received] are available on request from Exane Derivatives (16, avenue Matignon – 75008 Paris - France).]

9. Source of Information about the Past and the Future Performance of [the Reference Entity] [and] / [The Underlying(s)] and its Volatility, Explanation of Effect on Value of Investment and Associated

[Give a clear and comprehensive explanation of how the value of the investment is affected by [the Reference Entity(ies)] [and]/[the Underlying(s)] and the circumstances when the risks are most evident].

Information concerning [the Reference Entity(ies)] [and]/[the Underlying(s)] can be found on [Bloomberg/Reuters/(website of Company if the underlying is a share/ website of the sponsor if the underlying is an index / other source of information)].

Information about the past and the future performance of [the Reference Entity(ies)] [and] / [the Underlying(s)] and their volatility may be obtained in electronic format from the Calculation Agent.

10. Practical Information

[Central depository]/[Common depository]/[Other depository] :

[Euroclear France
115, rue Réaumur – 75002 Paris – France]

[specify the name and address of the common depository or other depository]

ISIN Code: [●]

Common Code: [●]

Telekurs Code and other code(s) : [●]

Paying Agent(s) details :	[Not applicable / <i>(if applicable provide the details of the relevant Paying Agent(s) other than the Principal Paying Agent)</i>]
Fees:	[Not applicable / (fees charged to investors after the issue and whilst the Certificate remains in force)]
11. Placement	
Name of Dealer :	[Exane Derivatives 16, avenue Matignon – 75008 Paris – France / <i>if other, specify</i>)]
Non-exempt Offer	Not applicable / A Non-exempt Offer of the [Certificates/CLN/Hybrid Securities] may be made by [the Dealer] [and any Authorised Institutions below mentioned] [and any financial intermediaries to whom the Issuer gives a General Consent] in the Public Offer Jurisdiction(s) during the Offer Period as specified below
Consent of the Issuer to use the Base Prospectus during the Offer Period:	[Applicable / Not applicable / (if not applicable, delete the following sub-paragraph)]
(a) Specific Consent	Not applicable / Applicable for any Authorised Institution specified below]
(b) General Consent	Not applicable / Applicable
Authorised Institution(s)	[Not applicable / Name(s) and address(es) of the financial intermediaries nominated by the Issuer to act as Authorised Institution(s)]
Additional conditions relating to consent of the Issuer to use the Base Prospectus:	[Not applicable / <i>specify any additional condition relating to consent of the Issuer to use the Base Prospectus</i>]
12. Non-exempt Offer	Applicable/Not applicable <i>(if not applicable, delete the sub-paragraphs below)</i>
[Public Offer Jurisdiction(s):	[●]
Conditions to which the offer is subject:	[●]
Total amount of the issue/offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:	[●]
Offer Period, including any possible amendments, during which the offer will be open and description of the subscription	[●]

procedure:

Possibility to reduce subscriptions and the manner for refunding excess amounts paid by subscribers: [●]

Minimum and/or maximum amount of subscription, (whether in number of notes or aggregate amount to invest) : [●]

Method and time limits for paying up the notes and for delivery of the notes: [●]

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

The procedure for the exercise of any right of pre-emption, negotiability of subscription rights and treatment of unexercised subscription rights: [●]

If the offer is being made simultaneously on the markets of several countries, and if a tranche has been or is reserved for some of them, specify which tranche:

[●]

Process for notification to subscribers of the amount allotted to them and indication whether dealing may begin before notification is made: [●]

Offer Price:

[The Issuer has offered the Securities to the Dealer at the initial issue price of *[specify]* less a total commission of *[specify]*. OR (*or if the price has not been fixed at the date of the Final Terms*) The issue price of the Securities shall be determined by the Issuer and the Dealer on or around *[specify]*, in accordance with market conditions prevailing at the relevant time, including *[supply and demand for the Securities and other similar securities]* *[and]* *[the prevailing market price of *[specify the relevant reference security, if applicable]*].*]

Amount of all fees and taxes specifically invoiced to the subscriber or purchaser: [●]

[TECHNICAL ANNEX TO THE FINAL TERMS]

[The present Technical Annex includes the necessary parameters to the use of the pay-off formulas (each, a Pay-Off Formula) used in Part A (Contractual Terms) of the Final Terms in order to determine an interest amount, an early settlement amount or a final settlement amount payable on a Security.

All the information set out in this Technical Annex to the Final Terms refers to the calculation formulae and the concept as the Pay-Off Formulae, the Underlying Values, the Applicable Values and the Applicable Conditions use in the Technical Annex to the Base Prospectus]

GENERAL INFORMATION

Authorisations

No consent, approval or authorisation must be obtained under French legislation (i) from the Issuer for the establishment or updating of the Programme or (ii) from French governmental or regulatory authorities for the requirements or the execution of the Exane Guarantee or the Pledge.

The Securities do not constitute obligations as defined by article L. 228-38 of the French commercial code. Therefore, any issue of Securities falls within the general powers of the Chairman and CEO or any other Chief Operating Officer, or any other person so delegated in this respect.

Exane Guarantee

In accordance with article L. 225-35 of the French commercial code, on 22 October 2013 the management of Exane Derivatives renewed the guarantee in favour of Holders of debt securities (bonds and certificates) and warrants issued by Exane Finance..

Approval, listing and admission to trading on the Luxembourg Stock Exchange

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under this Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes on the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Passport

The CSSF has been requested to provide to the following competent authorities (i) *Autorité des marchés financiers* in France, (ii) the *Commissione Nazionale per le Società e la Borsa* (CONSOB) in Italy, (iii) the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BAFin) in Germany, (iv) the *Finanzmarktaufsichtsbehörde* (FMA) in Austria, (v) the *Financial Services and Markets Authority* (FSMA) in Belgium, (vi) the *bevoordert eerlijke en transparante financiële markten* (AFM) in The Netherlands and (vii) the *Finansinspektionen* (FI) in Sweden, with a certificate of approval certifying that this Base Prospectus has been prepared in accordance with the Prospectus Directive to the CSSF as competent authority in Luxembourg for the purposes of the Prospectus Directive.

Securities clearing

The Securities issued pursuant to the Base Prospectus have been admitted to the operations of Euroclear France, Euroclear and Clearstream Luxembourg. They may also be accepted for clearing through any other settlement-delivery system or depositary (such as SIX SIS Ltd in Switzerland). The subscription, purchase, sale and exercise of the Securities may be performed only with an account registration in accordance with the operating rules and procedures of Euroclear France, Euroclear and/or Clearstream Luxembourg and/or any other applicable settlement-delivery system or depositary (as applicable).

The ISIN code for each Series of Securities shall be indicated in the Final Terms.

Disputes

Over the last 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware), which may have, or have had in the recent past, significant effects on the Issuer or on the Guarantor and/or on the group's financial position or profitability.

No Material adverse change

There has been no material adverse changes modifying the prospects of the Issuer or the Guarantor since the closing date of the last financial year (31 December 2014).

No significant change

No significant change has occurred in the financial position and trading position of the Issuer or of the Guarantor since the last financial statements established on 31 December 2014.

Availability of documents

As long as Securities remain outstanding, copies of the following documents may be obtained free of charge on request, during business hours, from the designated establishment of the Issuer or the Guarantor and from each paying agent (including the Paying Agent in Luxembourg), ie:

- (a) the Issuer's articles of association;
- (b) the Guarantor's articles of association;
- (c) the Issuer's 2013 and 2014 audited annual accounts;
- (d) the Guarantor's 2013 and 2014 audited annual accounts;
- (e) the Base Prospectus and any Supplement.
- (f) the debt securities issue programme of Exane Finance, unconditionally and irrevocably guaranteed by Exane Derivatives dated as of 25 June 2013;
- (g) the first supplement to the 2013 Base Prospectus dated 11 December 2013;
- (h) the second supplement to the 2013 Base Prospectus dated 11 March 2014 ;
- (i) the debt securities issue programme of Exane Finance, unconditionally and irrevocably guaranteed by Exane Derivatives dated as of 25 June 2014;
- (j) the second supplement to the 2014 Base Prospectus dated 03 February 2015;
- (k) the Final Terms for each issue with the relevant Statement of Pledge (as applicable).

As long as Securities remain outstanding, copies of the following documents may be inspected, by physical means, during business hours at the designated office of the Issuer or of the Guarantor and each paying agent (including the Paying Agent in Luxembourg), being:

- (a) the Agency Agreement;
- (b) the Exane Guarantee;
- (c) the Final Terms for each issue with the relevant Statement of Pledge (as applicable);
- (d) the Base Prospectus and any Supplement.

Conditions for determining price

In relation to each separate issue of Securities, the Final Terms of such Securities will be determined by the Issuer and the relevant Dealer in accordance with prevailing market conditions at the time of the issue of the Securities and will be set out in the relevant Final Terms.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to the underlyings, except as required by any applicable laws and regulations.

Yield

In respect of any Tranche of Fixed Rate Securities, an indication of the expected yield on the Securities shall be specified in the applicable Final Terms. The yield shall be calculated on the Issue Date of the Securities based on the Issue Price. The specified yield shall be calculated as being the yield to maturity on the Issue Date of the Securities and shall not be an indication of future yields.

DECLARATION OF RESPONSIBILITY

PERSONS ASSUMING RESPONSIBILITY FOR THE BASE PROSPECTUS

Having taken all reasonable care to ensure that such is the case the information contained in the Base Prospectus is, to the best of the knowledge of the Issuer and the Guarantor, in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuer and the Guarantor accept joint responsibility for the information contained or incorporated by reference in the Base Prospectus.

The Issuer	The Guarantor
EXANE FINANCE	EXANE DERIVATIVES
.....	
Benoit CATHERINE	Nicolas CHANUT,
Chief Executing Officer - Exane Groupe	Chairman and Chief Executing Officer – Exane Group

ISSUER

Exane Finance

16 avenue Matignon
75008 Paris
France

GUARANTOR

Exane Derivatives

16 avenue Matignon
75008 Paris
France

DEALER

Exane Derivatives

16, avenue Matignon
75008 Paris
France

PRINCIPAL PAYING AGENT AND PAYING AGENT IN PARIS

Exane Derivatives

16 avenue Matignon
75008 Paris
France

PLEDGED ACCOUNT CUSTODIAN AND SETTLEMENT CONFIRMATION AGENT

BNP Paribas Securities Services

Grands Moulins de Pantin,
9, rue du Débarcadère
93500 Pantin
France

PAYING AGENT IN LUXEMBOURG

BNP Paribas Securities Services, Luxembourg Branch

33, rue de Gasperich
Howald-Hesperange
2085 Luxembourg
Grand Duché du Luxembourg

LISTING AGENT IN LUXEMBOURG

BNP Paribas Securities Services, Luxembourg Branch

33, rue de Gasperich Howald-Hesperange
2085 Luxembourg
Grand Duché du Luxembourg

CALCULATION AGENT

Exane Derivatives

16 avenue Matignon
75008 Paris
France

Contact : Cherifa Attou

Email : mo_derives_structures@exane.com

Tel.: + 33 1 42 99 25 13

Télécopie : + 33 1 56 69 01 38



**Exane Finance
Debt Securities Issue Programme
unconditionally and irrevocably guaranteed by
Exane Derivatives**

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 24 June 2015 (the “**Base Prospectus**”) prepared in relation to the Debt Securities Issue Programme of Exane Finance (the “**Issuer**”). On 24 June 2015, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purpose of article 5.4 of the European directive 2003/71/EC (the “**Prospectus Directive**”) and article 8.4 of the Luxembourg law relating to prospectuses for securities implementing the Prospectus Directive (the “**Luxembourg Law**”).

The First Supplement constitutes a supplement for the purposes of article 16.1 of the Prospectus Directive and article 13.1 of the Luxembourg Law.

Unless otherwise defined in the First Supplement, terms defined in the Base Prospectus shall have the same meaning when used in the First Supplement.

To the extent that there is any inconsistency between (i) any statement in this First Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, the statements referred to in (i) above will prevail.

In accordance with Article 13 (2) of the Luxembourg Law on Prospectuses for securities, investors who have already agreed to purchase or subscribe for the Securities before this Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. The final date of the right withdrawal will be 27 August 2015.

The First Supplement will be available for consultation and copies may be obtained at the registered office of the Issuer, the Principal Paying Agent and the Luxembourg Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.exane.com/exaneissues).

The First Supplement has been prepared for the purpose of:

- Modify the Element B.19/B.12 “Key historical financial information” of the Summary, applicable to the Guarantor
- Correct some typos into the Description of the Issuer: Exane Finance
- Correct some typos into the Description of the Guarantor: Exane Derivatives
- Modify specific methodologies of Proprietary Indices. A new specific methodology is annexed to the First Supplement for each of the following Proprietary Indices:
 - o Exane Enhanced Q Europe
 - o Exane Q-Rate Europe USD
 - o Exane Q-Rate Japan EURO
 - o Exane Q-Rate Japan USD
 - o Exane Q-Rate US EURO
 - o Exane Q-Rate 15 Europe USD
- Add specific methodologies of new Proprietary Indices. A new specific methodology is annexed to the First Supplement for each of the following Proprietary Indices:
 - o Exane Q-Rate Dividend Europe
 - o Exane Short Bobl
 - o Exane Short Bund

For the avoidance of doubt, none of the changes to the terms and conditions and the form of final terms shall apply to issues made before the date of publication of the supplement.

MODIFICATION OF THE SUMMARY

The Element B.19/B.12 of the Summary on pages 13/14 of the Base Prospectus is modified as follows :

B.19/B.12	Key historical financial information	Exane Derivatives SNC <table><tr><th>In K€</th><th>30 June 2013</th><th>31 Dec. 2013</th><th>30 June 2014</th><th>31 Dec. 2014</th></tr><tr><td>Net banking income</td><td>73 936</td><td>125 645</td><td>81 415</td><td>145 231</td></tr><tr><td>Operating profit</td><td>25 797</td><td>36 119</td><td>29 786</td><td>43 441</td></tr><tr><td>Net profit</td><td>18 825</td><td>26 616</td><td>22 957</td><td>33 536</td></tr><tr><td>Total Assets</td><td>12 789 371</td><td>13 770 175</td><td>16 643 898</td><td>18 676 613</td></tr><tr><td>Total Shareholder's Equity</td><td>27 877</td><td>45 667</td><td>68 624</td><td>79 203</td></tr></table> There has been no material adverse change in the Guarantor’s prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Guarantor since 31 December 2014.	In K€	30 June 2013	31 Dec. 2013	30 June 2014	31 Dec. 2014	Net banking income	73 936	125 645	81 415	145 231	Operating profit	25 797	36 119	29 786	43 441	Net profit	18 825	26 616	22 957	33 536	Total Assets	12 789 371	13 770 175	16 643 898	18 676 613	Total Shareholder's Equity	27 877	45 667	68 624	79 203
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Total Shareholder's Equity	27 877	45 667	68 624	79 203																												

MODIFICATION OF THE DESCRIPTION OF THE ISSUER: EXANE FINANCE

Corporate name, registered office and date of formation

The corporate name of the Issuer is **Exane Finance SA** (the **Company** or **Exane Finance**, for the purposes of this section).

The Company is a French law corporation (*société anonyme*), having its registered offices at 16, avenue Matignon – 75008 Paris – France, and identified under number 339 563 215 RCS Paris.

Its telephone number is + 33 (0)1 44 95 40 00.

The Company was incorporated on 10 October 1991 for a term that expires on 10 October 2090.

Corporate purpose

Pursuant to article 2 of its articles of association, the principal business of the Company, “*within the limits set forth by the legal and regulatory provisions governing financial companies, and subject to the provisions of the last paragraph of this article, is to:*

- *provide, both in France and outside France, investment services, services related to investment services as defined by the applicable regulations, and banking operations, including intermediation in banking transactions, the receipt of funds from the public, credit operations and the issue of securities, and activities related to banking operations, and all financial activities not prohibited by the applicable regulations;*
- *participate, both in France and outside France, in all commercial, financial, industrial, personal property and real estate operations related in any manner to its corporate purpose, including the creation of new companies, contribution, subscription, purchase of securities or corporate rights, merger, partnership or any other mechanism.*

The Company shall perform these activities which are subject, under the regulations in force, to authorisation in accordance with the stipulations of the authorisation granted to the Company or any approval that may be granted to the Company.”

Preparation of the annual accounts

Each financial year starts on 1 January and ends on 31 December.

Statutory distribution of profits

From the profits of each year, less, if applicable, prior losses, are firstly withdrawn the amounts to be reserved. 5% is therefore withdrawn to constitute a legal reserve fund. This withdrawal is no longer compulsory when said fund is equal to a tenth of the capital stock. It is compulsory when, for any reason whatsoever, the reserve falls below this fraction.

The profits that may be distributed are composed of the yearly profits less prior losses and amounts reserved by law, plus positive carry-over.

On the recommendation of the Board of Directors, the general meeting may deduct from these profits, amounts it considers appropriate to affect to an endowment to any reserve fund or to accumulate profits.

The balance, if any, is distributed between all shares, in proportion to their paid-up and unredeemed amount.

Approval of annual accounts

The shareholders' Ordinary General Meeting shall approve the annual accounts.

Share capital

The share capital of the Company is 5,119,904 Euros, composed of 319,994 fully paid-up ordinary shares each with a nominal value of 16 Euros.

The shares must be in registered form.

Unless otherwise provided by law, any transfer of shares to a third party, for any reason whatsoever, is subject to the approval of the board of directors, and under the conditions provided for by applicable legislative and regulatory provisions, and regulatory authorities.

The procedure for obtaining these approvals and the consequences of a refusal are those provided for by the legislation in force.

Distribution of capital

As at 31 December 2014, the shares of the Company are held as follows:

- 319,988 shares held by Exane SA
- 1 share held by Nicolas Chanut
- 1 share held by Exane Derivatives SNC
- 1 share held by Bertrand Léonard
- 1 share held by Exane Limited
- 1 share held by Benoît Catherine
- 1 share held by Exane Derivatives Gérance **SA**

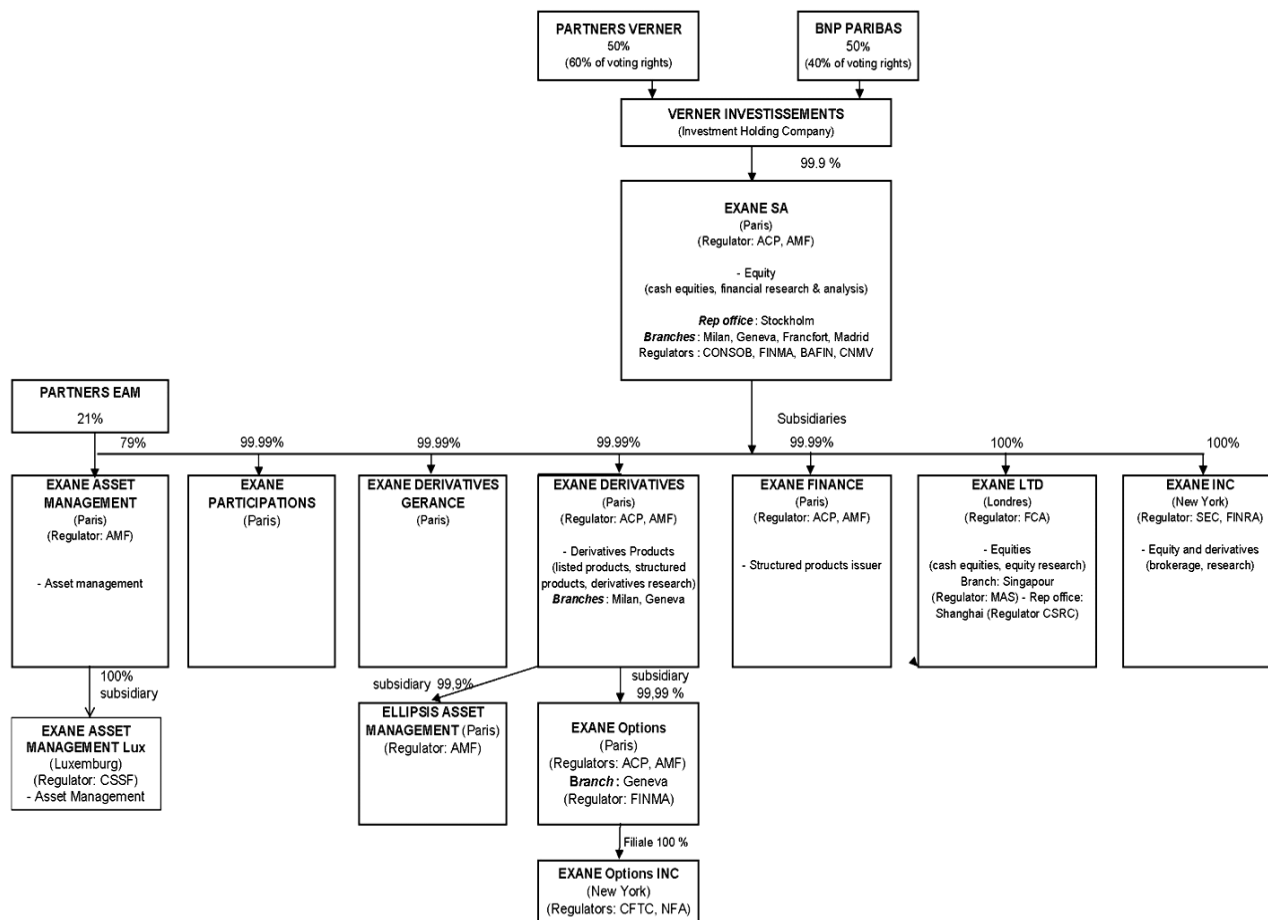
The other companies held, directly or indirectly, by Exane SA are:

- Exane Derivatives SNC
- Exane Asset Management SAS
- Exane Limited
- Exane Inc.
- Exane Options SA (99.9% owned company by Exane Derivatives **SNC**)
- Exane Options Inc. (wholly-owned company by Exane Options SA)
- Ellipsis Asset Management SAS (99.99% owned company by Exane Derivatives **SNC**)
- Exane Asset Management Luxembourg (wholly-owned by Exane Asset Management SAS)
- Exane Derivatives Gérance SA
- Exane Participations SNC: a French commercial partnership managed by Exane Derivatives Gérance **SA** (having no operational activity)
- Exane Finance has no subsidiary.
- Exane Finance is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company.

Exane Finance is part of the Group: a simplified corporate structure chart appears below.

Group means Exane SA and any direct or indirect subsidiary (as defined in article L. 233-1 of the French commercial code) of Exane SA.

EXANE'S GROUP ORGANIZATION CHART
as of January 2014



In accordance with the provisions of the **Ministerial** Order of 3 November **2014** relating to the internal control applicable to ACPR authorised banking, payment and investment services firms, the internal control system of the Exane group is twofold: permanent control and periodic control. Central control staff are involved in all the activities of the Group.

Principal activities and the financial instruments of the Company

The principal business of the Company is the issue of debt securities (including certificates and bonds) and warrants. Exane Derivatives acts as Dealer of these issues, which then places these securities with clients.

The operations relating to these issuing activities are totally symmetrical between the issued product and the over the counter hedging transactions between Exane Derivatives and the Company. The hedging transactions with Exane Derivatives are determined at the same price as the instruments issued and subscribed. In view of this, the risks borne by the Company are managed, for internal control purposes, through the activities of Exane Derivatives.

Certain debt securities (bonds and certificates) and warrants issued by the Company and guaranteed by Exane Derivatives are admitted to trading on the regulated market on the Luxembourg Stock Exchange and/or Euronext Paris. The volumes traded on the Luxembourg Stock Exchange and/or Euronext Paris are not significant.

Exane Finance has also issued a declaration concerning freedom of services throughout the territories of the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, **Romania**, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

No significant new business line is foreseen by the Company.

Authorisation of the Company

The Company is authorised as a credit establishment, financial company by the Resolution and Prudential Control Authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*) and is authorised, in accordance with article L. 531- 1 of the French monetary and financial code, to provide the following investment services as defined by article L. 321-1 of the French monetary and financial code: dealing on own account, portfolio management, investment advice and underwriting of financial instruments, as well as providing credit and guarantee services complementary to these services.

In exercising its business, the Company is subject to the control of the ACPR and of the *Autorité des Marchés Financiers*.

The ACPR control concerns accounting and prudential reporting based on the French applicable regulations. More specifically, in terms of prudential reporting, ratios are calculated solely on a consolidated basis. The Company does therefore not establish reporting on individual basis.

Employees

The Company has no employees.

Administrative, management and supervisory bodies

The Board of Directors of Exane Finance reviews, *inter alia*, the financial statements and the implementation of internal control procedures.

The Company does not have an audit committee.

The Company complies with its country's of incorporation corporate governance regime.

Board of Directors

The members of the Board of Directors are:

- Nicolas Chanut, Chairman and Chief Executive Officer
- Exane SA represented by Bertrand Léonard, Member of the Board of Directors
- Benoît Catherine, Member of the Board of Directors.

For the purpose of this Base Prospectus, the business address of the members of Board of Directors is 16 avenue Matignon - 75008 Paris - France.

No member of the Board carries out significant activities outside the Group.

Administrative, management and supervisory bodies, conflicts of interest

There are no potential conflicts of interests between any duties, to the Company, of any person of the Board of Directors specified above and their private interests and/or other duties.

Responsibilities of the Board of Directors

Subject to the restrictions set forth in the articles of association, the Board of Directors is responsible for the management of the Company.

Management committee

Benoît Catherine's appointment as a Chief Executing Officer was confirmed by the Board of Directors held on 11 March 2015.

Mr Benoît Catherine is responsible for the management of the Company.

Auditors

The auditors of the Company are as follows:

Statutory Auditor: Deloitte et Associés
185, avenue Charles de Gaulle
92200 Neuilly
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 (renewal of the appointment) until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Bureau d'Etudes Administratives Sociales et Comptables
195, avenue Charles de Gaulle
92200 Neuilly Sur Seine
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 (renewal of appointment) until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Statutory Auditor: Mazars
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Michel Barbet-Massin
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Ordinary and Extraordinary General Meeting of 29 March 2011 until the General Meeting responsible in 2017 for approving the accounts for the year ending 31 December 2016.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Selected financial information

In K€	31 December 2013	31 December 2014
Net Banking Income	1 752	2 388
Operating profit	1 680	2 300
Net profit	1 120	1 534
Total Assets	9 757 813	14 167 342
Total Shareholders' Equity	3 762	7 169

Investments

No specific investment has been undertaken since the date of the most recently published accounts or has been the subject of firm commitments for a future undertaking.

MODIFICATION OF THE DESCRIPTION OF THE GUARANTOR: EXANE DERIVATIVES

Corporate Name, registered office and date of incorporation

The corporate name of the Guarantor is **Exane Derivatives SNC** (the **Company** or **Exane Derivatives** for the purposes of this section)

The Company is a French commercial partnership (*société en nom collectif*), having its registered office at 16, avenue Matignon – 75008 Paris – France, and identified under number 491 294 567 RCS Paris.

Its telephone number is + 33 (0)1 44 95 40 00.

The Company was set up as a *société anonyme*. It was converted into a *société en nom collectif* by a unanimous decision of the shareholders' extraordinary general meeting dated 2 March 2007.

The Company was incorporated on 1 August 2006 for a term that expires on 31 July 2105. Rating:

- 17 June 2013: the Company's long term credit rating is for: Moody's Baa2 with a stable outlook.
- 4 July 2014: the Company's long term credit rating is for: Standard & Poor's BBB+ (BBB which means, as per the definition appearing on the website of Standard & Poor's, "adequate capacity to meet financial commitments, but more subject to adverse economic conditions – note: 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") with a stable outlook and the Company's short term credit rating is for Standard & Poor's: A-2 with a stable outlook.

Moody's and Standard & Poor's are established in the European Union and are registered under the CRA Regulation, as it appears from the list published by the European Securities and Markets Authority dated 31 October 2011.

Corporate purpose

Pursuant to article 2 of its articles of association, the principal business of the Company, "*within the limits provided for by the legal and statutory provision applicable to financial companies and subject to the last provisions of this article, is to:*

- *provide, in France and abroad, investment services, services related to investment services within the meaning of applicable regulations and, within the framework of its derivatives activities, certain banking transactions complementing the investment services, such as:*
 - *the granting of loans and related securities,*
 - *the receipt of time deposits;*
- *participate, in France or abroad, in all commercial, financial, movable property and real-estate transactions howsoever relating to its corporate purpose, including via the incorporation of new companies, the contribution, subscription and purchase of securities and equity rights, mergers, partnerships or any other method.*

The Company shall perform those of its activities which are subject, within the framework of the regulations in force, to authorisation, in accordance with the requirements of the authorisation granted to it or any other authorisation granted to it in the future."

Preparation of the annual accounts

Each financial year starts on 1 January and ends on 31 December.

Statutory distribution of profits

The profit and loss account shall show the annual profit or loss in accordance with the statutory provisions in force at the time.

Distributable profit shall be determined in accordance with the statutory provisions in force, *inter alia*, after deduction of all mandatory charges, levies and provisions pursuant to the statutory provisions in force.

This profit shall be at the disposal of the partners which, in accordance with the statutory provisions in force, may decide to carry it forward, allocate it to any general or special reserve, use it to distribute dividends and/or use it for any other purpose not prohibited by the statutory provisions in force.

The partners may further decide, in accordance with the statutory provisions in force, to distribute any other available amounts pursuant to the said provisions; in such event, the decision taken shall expressly indicate the accounts from which the amounts are to be taken.

The sums made available for distribution shall be divided among the partners in proportion to the amount of share capital held by each partner.

Losses, if any, shall be governed by the provisions of these articles of association that do not breach the mandatory statutory provisions applicable to the Company and, if the articles of association are silent in this respect, by the statutory provisions applicable to the Company.

The management may decide to distribute interim dividends before approval of the annual financial statements in accordance with the statutory provisions in force at the time.

Approval of the annual accounts

The partners' Ordinary General Assembly shall approve the annual accounts.

Share capital

The share capital is of 17,248,320 Euros, composed of 1,724,832 fully paid-up shares and each with a nominal value of 10 Euros.

All shares must be registered shares.

Unless otherwise stipulated by law, any transfer of shares to a third party, for any reason whatsoever, is subject to the approval of all the partners.

Distribution of capital

When the Company was incorporated as a *société anonyme*, the share capital was of 37,000 Euros, composed of 3,700 fully paid-up shares and each with a nominal value of 10 Euros, one of which being held by Exane Finance SA and the remaining 3,699 shares being held by Exane SA.

On 2 March 2007, further to the conversion of the Company into a *société en nom collectif*, the share capital was increased to 15,037,000 Euros, divided up as follows:

- 1 share held by Exane Finance SA,
- 1,503,699 shares held by Exane SA.

On 30 April 2008, further to the contribution of the shares of Exane Options SA, which became a wholly-owned subsidiary of the Company, the share capital was increased to 17,248,320 Euros, divided up as follows:

- 1 share held by Exane Finance SA,
- 1,742,831 shares held by Exane SA.

The other companies held, directly or indirectly, by Exane SA are:

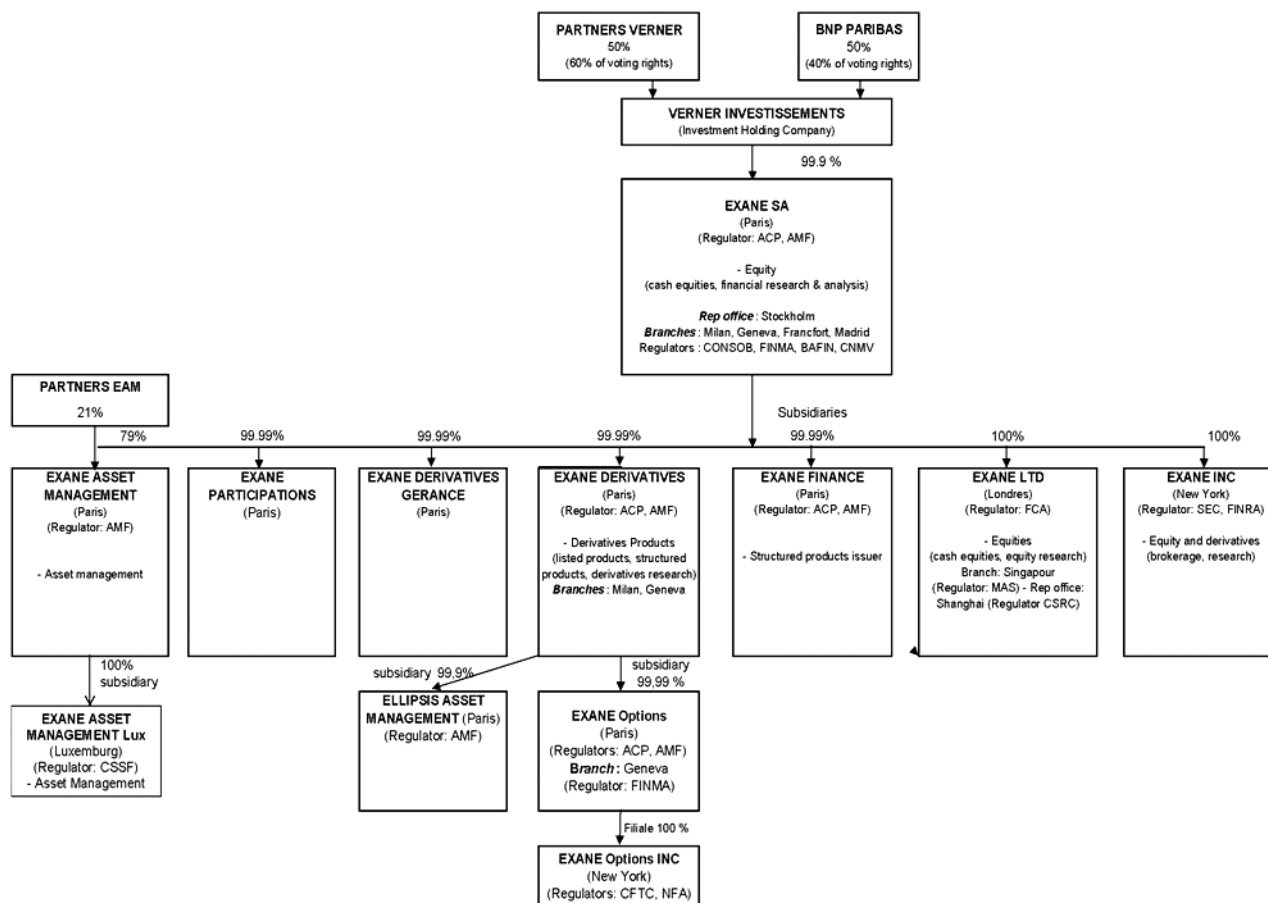
- Exane Finance SA
- Exane Asset Management SAS
- Exane Asset Management Luxembourg (wholly-owned by Exane Asset Management SAS)
- Exane Limited
- Exane Inc. Ellipsis Asset Management SAS (99.99% owned company by Exane Derivatives SNC)
- Exane Options SA (a company 99.99% owned by Exane Derivatives SNC)
- Exane Options Inc (a company wholly owned by Exane Options SA).
- Exane Derivatives Gérance SA
- Exane Participations SNC: a French commercial partnership managed by Exane Derivatives Gérance SA (having no operational activity).

The Company has two subsidiaries, each 99.9% owned: Ellipsis Asset Management SAS and Exane Options SA. The Company is a 99.9% owned subsidiary of Exane SA and is a fully consolidated company.

The Company forms part of the Group: a simplified Group structure chart appears below.

Group means Exane SA and any direct or indirect subsidiary (as defined in article L. 233-1 of the French commercial code) of Exane SA.

EXANE'S GROUP ORGANIZATION CHART
as of January 2014



In accordance with the provisions of the Ministerial Order of 3 November 2014 relating to the internal control applicable to ACPR authorised banking, payment and investment services firms, the internal control system of the Exane group is twofold: permanent control and periodic control. Central control staff are involved in all the activities of the Group.

Principal activities and the financial instruments market of the Company

The Company distributes, among others, debt securities (bonds and certificates) and warrants in France and abroad

The Company has also issued a declaration concerning the freedom of services throughout the territories in the following countries: **Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.**

Structure of the Company

The Company is authorised as a credit institution, financial company by the Resolution and Prudential Control Authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*) and is authorised, in accordance with article L. 531-1 of the French monetary and financial code, to provide the following investment services as defined by article L. 321-1 of the French monetary and financial code: reception and transmission of orders on behalf of clients, execution of orders on behalf of clients, dealing on own account, investment advice, underwriting of financial instruments, placing of financial instruments on a firm commitment basis and placing of financial instruments without a firm commitment basis, as well as granting credit and guarantees associated with the above-mentioned investment services and the reception of forward deposits complementary to such services.

In exercising its business, Exane Finance is subject to the control of the ACPR and of the *Autorités des Marchés Financiers*.

The ACPR control concerns accounting and prudential reporting based on the French applicable regulations. More specifically, in terms of prudential reporting, ratios are calculated solely on a consolidated basis. The Company does therefore not establish reporting on an individual basis.

The Company is authorised to provide certain investment services within the meaning of article L.321-1 of the French monetary and financial code, as explained above, as well as, within the scope of its derivatives activities, a number of banking operations complementary to provision of investment services, such as granting of related credits and guarantees and the reception of forward deposits.

The Company also distributes to its customers the debt instruments (bonds and certificates) issued by Exane Finance, and unwritten by the Company or by any other Dealer appointed in the relevant Final Terms and manages the positions.

The Company carries out brokering activities on listed derivatives products on behalf of institutional customers and carries out proprietary transactions of listed securities and derivatives.

Furthermore, the Company has the following offices abroad:

- Geneva: a branch of Exane Derivatives carrying out an equity derivatives business
- Milan: a branch of Exane Derivatives carrying out an equity derivatives business.

History

The Company was created to serve as the beneficiary of the contribution of the derivatives business of Exane SA, which occurred on 2 March 2007.

Employees

As of 31 December 2013 and as of 31 December 2014, the Company had 202 employees.

Management

Exane Derivatives Gérance (as defined below), acting as manager of the Company, reviews the financial statements and the implementation of internal control procedures.

The Company complies with its country of incorporation corporate governance regime.

The Company is managed by one or more managers (the **Management**) who may but need not be partners.

The Manager of the Company is Exane Derivatives Gérance, itself represented by Nicolas Chanut, Chairman and Chief Executive Officer.

The address of Exane Derivatives Gérance is 16, avenue Matignon – 75008 Paris – France. The Management does not carry out significant activities outside the Group.

Subject to the restrictions set forth in the articles of association, the Management shall be responsible for the administration of the Company.

There are no potential conflicts of interests between any duties, to the Company, the Management and their private interests and/or other duties.

The Company does not have an audit committee.

Auditors

The auditors of the Company are as follows:

Statutory Auditors: Deloitte et Associés
185, avenue Charles de Gaulle
92200 Neuilly
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012 for a six year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Bureau d'Etudes Administratives Sociales et Comptables
195, avenue Charles de Gaulle
92200 Neuilly
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a six year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Statutory Auditors: Mazars
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a 6 year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of the French *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Alternate Auditor: Michel Barbet – Massin
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie
France

Appointment: during the Board of Directors meeting of 27 July 2006 which adopted the constitutive articles of association. Renewed by the Ordinary General Meeting of 3 May 2012, for a 6 year term, until the General Meeting responsible in 2018 for approving the accounts for the financial year ended on 31 December 2017.

Member of **the French** *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Selected financial information

In K€	31 December 2013	31 December 2014
Net Banking Income	125 645	145 231
Operating profit	36 119	43 441
Net profit	26 616	33 536
Total Assets	13 770 175	18 676 613
Total Shareholders' Equity	45 667	79 203

Investment

No specific investment has been undertaken since the date of the most recently published accounts or has been the subject of firm commitments for a future undertaking.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Enhanced Q Europe”

1. Introduction

The Exane Enhanced Q Europe index is a performance index made up of the Exane Q-Rate Europe (RI) index and listed options on the EUROSTOXX 50® index.

The Exane Enhanced Q Europe index is a Proprietary Index as stated in the Base Prospectus applicable (available on the www.exane.com/exaneissues website) and shall be referred to as the “**Exane Index**”.

The Exane Index was created on 19 September 2014 with a value as defined in 3.3.6.

Any terms in uppercase shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Calculation Agent.

2. Objectives

The objective of the Exane Index is, according to a formula,

- a) to add option short positions listed on the EUROSTOXX 50®: at all times, the index has a selling position on listed options with an exercise price **either** at the money **or** 105% from the money if the selling price is sufficiently high.
- b) to buy a long position on the Exane Q-Rate Europe (RI) index, an Exane Proprietary Index

3. Construction and calculation rules for the Exane Index

3.1 Selection of the Exane Index components

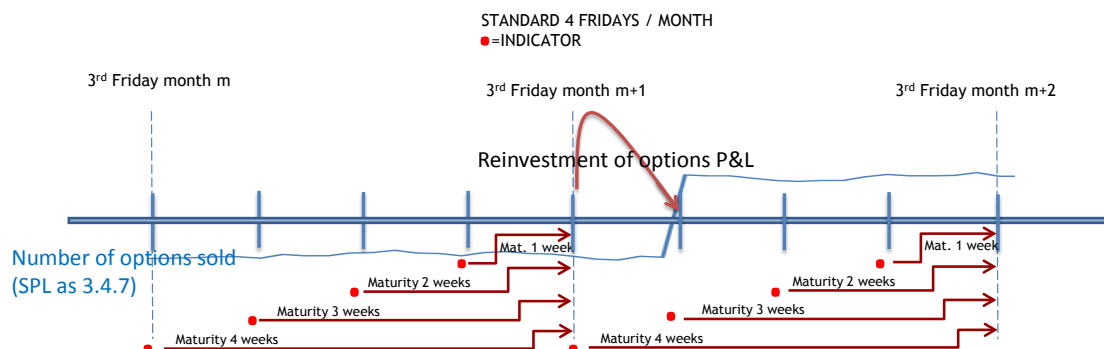
The Exane Index is made up of an Index Instrument, the Exane Q-Rate Europe (RI) index (Bloomberg code: EXDMQRAR) and options on the Eurostoxx 50® index (Bloomberg code: SX5E).

The make-up of the Exane Index on the Creation Date is available in the appendix of the Specific Methodology.

3.2 Calculation rules

The Exane Index consists in selling options on every Friday “v”, options expiring on the third Friday of the month m stated as v3(m) [see §3.3] for a notional amount depending on the value of the Index over the previous period and as long as the option premium is high enough (as detailed in the “indicator” condition defined in §3.3.4),

Depending on the calendar, options can have a duration of between one (1) week and five (5) weeks (see chart below for the most standard case over 4 weeks). Options are sold at the value of the Exane Index without taking into account the time value of active options.



Therefore, the value of the Exane Index is defined according to the formula as per 3.3.6 at each expiry (i.e. every $v3(m)$ when options expire). Between two listed expiries, the Calculation Agent of the Index recalculates the Exane Index using the settlement prices of options sold and the closing price of the Index Instrument.

3.2.1 Reinvestment of interest and income

The Exane index is calculated without reinvesting the interest and income from the Index Components, as the Index Components are either options or an index that automatically reinvests interests and income.

3.2.2 Currency and foreign exchange risk

The Currency of the Exane Index is the euro (“EUR”).

Foreign exchange risk is not hedged. The Index Components are accounted for at the price in EUR.

3.2.3 Calculation Dates

The Exane Index is calculated and published only on Trading Days (“**Calculation Dates**”) when the Index Instrument is published. In the formulae below these days may also be called “trading days”.

3.3 Calculation of the Exane Index

3.3.1 Dates

“**v(m)**” is any Friday (or the previous Trading Day) of month m.

“**v1(m)**” is the first Friday (or the previous Trading Day) of month m.

“**v1(m)#**” is the trading day which precedes the first Friday (or the previous Trading Day) of month m.

“**v2(m)**” is the second Friday (or the previous Trading Day) of month m.

“**v2(m)#**” is the trading day which precedes the second Friday (or the previous Trading Day) of month m.

“**v3(m)**” is the third Friday (or the previous Trading Day) of month m.

“**v3(m)#**” is the trading day which precedes the third Friday (or the previous Trading Day) of month m.

“**v4(m)**” is the fourth Friday (or the previous Trading Day) of month m, if it exists

“**v4(m)#**” is the trading day which precedes the fourth Friday (or the previous Trading Day) of month m, if it exists

“**v5(m)**” is the fifth Friday (or the previous Trading Day) of month m, if it exists

“**v5(m)#**” is the trading day which precedes the fifth Friday (or the previous Trading Day) of month m, if it exists

vi(m) and **vi(m)#** will be the generic term applicable to i between 1 and 5.

3.3.2 Index Components

“**SJ**” is the Index Instrument

“**SJ([date])**” is the value at close of SJ at a date as per 3.3.1

“**I**” is the Exane Index.

“**I([date])**” is the value at close of I at a date as per 3.3.1

“**BW**” is the EUROSTOXX 50® index available on Bloomberg SX5E Index.

“**BW([date])**” is the value at close of BW at a date as per 3.3.1.

“**BW'([date])**” is the value used for the settlement of options on BW posted on Bloomberg FSX5ES at 12.00 Paris time, at a date as per 3.3.1.

3.3.3 Performance

The performance is a price ratio. If the asset is constant, its performance is 1.

« **PerfSJ([date],[date'])** » is the performance of SJ i.e. the ratio $SJ([date'])/SJ([date])$, as [date'] comes after [date] and both these dates are as per 3.3.1.

« **PerfBW([date],[date'])** » is the performance of BW i.e. the ratio $BW([date'])/BW([date])$, [date'] comes after [date] and both these dates are as per 3.3.1.

3.3.4 Indicators and price

“**M10([date])**” is the ten (10) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per 3.3.1.

“**M20([date])**” is the twenty (20) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per 3.3.1.

“**X([date])**” is equal to 1 if $M10([date]) > M20([date]) + 2.5\%$, and 1.05 otherwise.

“**K([date])**” is the closest option exercise price lower than or equal to $X([date]) \cdot BW([date])$ available on Bloomberg SX5E Index OMON.

“**P([date],[date'])**” is the value in euro of the buying option (also called call premium) on [date] at close, with a maturity date of [date'] with an exercise price K as per 3.3.5, available on Bloomberg SX5E Index OMON, obtained on QR of the corresponding option, also called settlement price, posted at approximately 18.30 Paris time. The Calculation Agent can also call on counterparties other than Exane to determine this value.

“**Ind([date],[date'])**” is a number equal to 0 or 1, where, respectively, $P([date],[date']) < 3$ euros or $P([date],[date']) \geq 3$ euros. If the Indicator equals 0, no options are sold for the calculation of 3.3.6 and the P&L of 3.3.5 is equal to 0.

“**Pbid([date],[date'])**” is equal to $P([date],[date'])$ minus

1 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is <25,
1.5 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is <30,
2 euros if the VSTOXX index available on Bloomberg V2X at close on [date] is <40,
2.5 euros otherwise.

With a minimum of 0.

3.3.5 Options

The options sold with a maturity of $v3(m+1)$ are the following in chronological order:

Sell date	Exercise date	Indicator
$v3(m)$	$K(v3(m)\#)$	$Ind(v3(m)\#, v3(m+1))$
$v4(m)$	$K(v4(m)\#)$	$Ind(v4(m)\#, v3(m+1))$
$v5(m)$	$K(v5(m)\#)$	$Ind(v5(m)\#, v3(m+1))$
$v1(m+1)$	$K(v1(m+1)\#)$	$Ind(v1(m+1)\#, v3(m+1))$
$v2(m+1)$	$K(v2(m+1)\#)$	$Ind(v2(m+1)\#, v3(m+1))$

The unwinding of the position will be as follows:

$Ind(v3(m)\#, v3(m+1)) \times [Pbid(v3(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1)) - K(v3(m)\#))]$	P3(m)
$Ind(v4(m)\#, v3(m+1)) \times [Pbid(v4(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1)) - K(v4(m)\#))]$	P4(m)

$\text{Ind}(v5(m)\#, v3(m+1)) \times [\text{Pbid}(v5(m), v3(m+1)) - \text{Max}(0; \text{BW}'(v3(m+1) - K(v5(m)\#)))]$	$P5(m)$
$\text{Ind}(v1(m+1)\#, v3(m+1)) \times [\text{Pbid}(v1(m+1), v3(m+1)) - \text{Max}(0; \text{BW}'(v3(m+1) - K(v1(m+1)\#)))]$	$P1(m+1)$
$\text{Ind}(v2(m+1)\#, v3(m+1)) \times [\text{Pbid}(v2(m+1), v3(m+1)) - \text{Max}(0; \text{BW}'(v3(m+1) - K(v2(m+1)\#)))]$	$P2(m+1)$

$Pi(m)$ corresponds to the profit and loss by option.

3.3.6 Calculation formula

The Calculation Agent of the Exane Index will amend the calculation formula described in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology as follows:

$$\text{Index}(t) = \text{Ihf}(t) \times \left(1 - \frac{F}{B}\right)^{n(t)}$$

Where:

Ihf (“hf” for excluding fees) is defined according to a formula every third Friday (calculated using option valuations as per 3.3.5 on each Calculation Date) by

- Its initial value on the third Friday of September 2014 (also $v3(1)$) is equal to $\text{SJ}(\text{Creation Date}) = \text{SJ}(v3(1))$
- And by iteration according to the following formula:

$$\text{Ihf}(v3(m)) = \text{SJ}(v3(m)) \times \text{NB}(v3(m)) + \text{SPL}(v3(m))$$

- Where:
 - $\text{NB}(v3(1)) = \text{NB}(v4(1)) = 1$ then
 - $\text{NB}(v3(m)) = \text{NB}(v4(m-1))$
 - $\text{NB}(v4(m)) = \text{NB}(v3(m)) + \text{SPL}(v3(m)) / \text{SJ}(v4(m)\#)$
 - $\text{NB}(v2(m+1)) = \text{NB}(v1(m+1)) = \text{NB}(v5(m)) = \text{NB}(v4(m))$

NB corresponds to the number of underlyings, equal to 1 on the Creation Date, which varies according to the profit or loss of the options.
- SPL is defined as follows
 - $\text{SPL}(v3(m)) = \text{PL}(v2(m)) + \text{PL}(v1(m)) + \text{PL}(v5(m-1)) + \text{PL}(v4(m-1)) + \text{PL}(v3(m-1))$

SPL corresponds to the profit or loss of options actually sold by the Index; it is based on the $Pi(m)$ adjusted for options sold.

Where:

- $\text{PL}(v2(m)) = 0.4 \times \text{NB}(v2(m)) \times \text{SJ}(v2(m)\#) \times P2(m) / \text{BW}(v2(m)\#)$
- $\text{PL}(v1(m)) = 0.4 \times \text{NB}(v1(m)) \times \text{SJ}(v1(m)\#) \times P1(m) / \text{BW}(v1(m)\#)$
- $\text{PL}(v5(m-1)) = 0.4 \times \text{NB}(v5(m-1)) \times \text{SJ}(v5(m-1)\#) \times P5(m-1) / \text{BW}(v5(m-1)\#)$
- $\text{PL}(v4(m-1)) = 0.4 \times \text{NB}(v4(m-1)) \times \text{SJ}(v4(m-1)\#) \times P4(m-1) / \text{BW}(v4(m-1)\#)$
- $\text{PL}(v3(m-1)) = 0.4 \times \text{NB}(v3(m-1)) \times \text{SJ}(v3(m-1)\#) \times P3(m-1) / \text{BW}(v3(m-1)\#)$

Index Fees (“F”) are equal to 0.50%,

$n(t)$ = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t ,

B is expressed in number of trading days and equals 252.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding Exane Indices is available on the www.exane.com website.

The latest valuations of the Exane Indices, including performance and 1-year volatility, are available on Bloomberg page <ALLX EXM>, as indicated below:

		Exane Enhanced Q Europe index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRBW

APPENDIX

The Composition and Weighting of the Index Components on 24 August 2015, the last Rebalancing Date:

Name	Code or Ticker	Weighting (in %)
Call SX5E 3500 E 18/09/2015 Eurex 10 #0	SX5E 9/18/2015 C3500	0.12
Cash (1 euro)	na	0.37
Exane Q-Rate Europe (RI)	EXDMQRAR	99.50

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the Exane Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Europe USD”

1. Introduction

The “**Exane Q-Rate Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQRAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Europe (RI) Index (Bloomberg code: EXDMQRAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFDFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close. Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate Europe (RI) (in Euro) on date t (respectively QR_d on date d),

IE_t is the value of the Euro Index (in Euro) on date t (respectively IE_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 20 August 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Next PLC	GB0032089863	6.01
Atos Origin	FR0000051732	6.01
Taylor Wimpey	GB0008782301	6.01
National Grid	GB00B08SNH34	6.01
Orkla A	NO0003733800	6.01
Barratt Developments	GB0000811801	6.01
Ryanair	IE00B1GKF381	6.01
Daimler	DE0007100000	6.01
Persimmon	GB0006825383	6.01
Capita PLC	GB00B23K0M20	6.01
Travis Perkins	GB0007739609	6.01
Ashtead Group	GB0000536739	6.01
Dixons Carphone PLC	GB00B4Y7R145	6.01
EasyJet	GB00B7KR2P84	6.01
Enagas	ES0130960018	6.01
ITV PLC	GB0033986497	6.01
fed fund exane Total return	DBDUFD	103.65
Eonia Capitalization Exane	EONCAPL7	-105.84
Sports Direct International PLC	GB00B1QH8P22	6.01

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan EURO”

1. Introduction

The “**Exane Q-Rate Japan EURO**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 15 January 2014 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the Euro.

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the Euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index, (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”).

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate Japan (RI) converted into euros based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in Euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time.

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index

based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.
Therefore, as per the above description, the Index on a date t namely "Index(t)", following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate Japan(RI) (in Yen) on date t (respectively QR_d on date d),

YI_t is the value of the Yen Index (in Yen) on date t (respectively YI_d on date d),

IE_t is the value of the Euro Index on date t (respectively IE_d on date d),

FX_t is the exchange rate on date t, expressed as the number of Euro for 1 Yen (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJE

APPENDIX 1

The Composition and Weighting of the Index Components on 05 August 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Toyota Motor	JP3633400001	5.88
Nissan Motor	JP3672400003	5.88
Sekisui House	JP3420600003	5.88
Eonia Capitalization Exane	EONCAPL7	98.55
ITOCHU CORP	JP3143600009	5.88
Mitsubishi Gas Chemical Co	JP3896800004	5.88
OMRON CORP	JP3197800000	5.88
SUMITOMO CORP (JPY)	JP3404600003	5.88
Fuji Electric Co	JP3820000002	5.88
Kawasaki Heavy Industries	JP3224200000	5.88
Kuraray Co	JP3269600007	5.88
Shimizu	JP3358800005	5.88
Sumitomo Heavy Industries	JP3405400007	5.88
NSK	JP3720800006	5.88
Fuji Heavy Industries	JP3814800003	5.88
Hitachi Metals	JP3786200000	5.88
Amada Holdings Co Ltd	JP3122800000	5.88
JPY Overnight (JJ) Mid (action)	DBDCJPON	-98.56
Daicel Corp	JP3485800001	5.88

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan USD”

1. Introduction

The “**Exane Q-Rate Japan USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a U.S. Dollars-denominated capitalisation index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of U.S. Dollars 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is included in available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Japan (RI) Index converted into USD based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate Japan(RI) (in Yen) on date t (respectively QR_d on date d),

YI_t is the value of the Yen Index (in Yen) on date t (respectively YI_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Yen (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee member

Membres	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJU

APPENDIX 1

The Composition and Weighting of the Index Components on 05 August 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Toyota Motor	JP3633400001	5.83
Nissan Motor	JP3672400003	5.83
Sekisui House	JP3420600003	5.83
fed fund exane Total return	DBDUFD	97.79
ITOCHU CORP	JP3143600009	5.83
Mitsubishi Gas Chemical Co	JP3896800004	5.83
OMRON CORP	JP3197800000	5.83
SUMITOMO CORP (JPY)	JP3404600003	5.83
Fuji Electric Co	JP3820000002	5.83
Kawasaki Heavy Industries	JP3224200000	5.83
Kuraray Co	JP3269600007	5.83
Shimizu	JP3358800005	5.83
Sumitomo Heavy Industries	JP3405400007	5.83
NSK	JP3720800006	5.83
Fuji Heavy Industries	JP3814800003	5.83
Hitachi Metals	JP3786200000	5.83
Amada Holdings Co Ltd	JP3122800000	5.83
JPY Overnight (JJ) Mid (action)	DBDCJPON	-96.87
Daicel Corp	JP3485800001	5.83

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate US EURO”

1. Introduction

The “**Exane Q-Rate US EURO**” is a performance Index composed of:

- an investment in the Exane Q-Rate US (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the Fed Fund Index for borrowing.

The Exane Q-Rate US EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of EUR 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate US (RI) Index with dynamic hedging against a variation in the U.S. Dollar against the euro.

The Exane Q-Rate US (RI) Index is denominated in U.S. Dollars. It is available on Bloomberg EXDMQRUR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the dollar and a lending position on the euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate US (RI) Index (Bloomberg code: EXDMQRUR)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate US Index converted into euros based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into dollars (based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time) is systematically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly Weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate US (RI) index based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time.

On the same date, this amount is converted into dollars and synthetically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFDFD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close. Therefore, as per the above description, the Index on a date t namely "Index(t)", following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \left[\frac{(QRt \times FXt)}{(QRd \times FXd)} + \frac{IEt}{IEd} - \frac{(FFt \times FXt)}{(FFd \times FXd)} \right]$$

Where:

QRt is the value of Exane Q-Rate US (RI) (in US Dollar) on date t (respectively QRd on date d),

FFt is the value of the Dollar Index (in US Dollar) on date t (respectively FFd on date d),

IEt is the value of the Euro Index on date t (respectively IEd on date d),

FXt is the exchange rate on date t, expressed as the number of Euro for 1 US Dollar (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate US EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRUE

APPENDIX 1

The Composition and Weighting of the Index Components on 05 August 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Time Warner	US8873173038	4.20
Lam Research	US5128071082	4.20
Home Depot	US4370761029	4.20
Verizon	US92343V1044	4.20
Ford Motor	US3453708600	4.20
Gilead Sciences	US3755581036	4.20
Kimberly-Clark	US4943681035	4.20
Good Year	US3825501014	4.20
Juniper Networks	US48203R1041	4.20
United Parcel	US9113121068	4.20
Eastman Chemical	US2774321002	4.20
Target	US87612E1064	4.20
Starbucks	US8552441094	4.20
Cintas	US1729081059	4.20
Paccar	US6937181088	4.20
Dow Chemical	US2605431038	4.20
Foot Locker Inc	US3448491049	4.20
ILLINOIS TOOL WO	US4523081093	4.20
McKesson Corp	US58155Q1031	4.20
C H ROBINSON WLDWDE	US12541W2098	4.20
fed fund exane Total return	DBDUFD	-98.77
Eonia Capitalization Exane	EONCAPL7	97.90
Reynolds American	US7617131062	4.20
GameStop Corp	US36467W1099	4.20
LyondellBasell Industries NV	NL0009434992	4.20
Lear Corp	US5218652049	4.20

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe USD”

1. Introduction

The “**Exane Q-Rate 15 Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate 15 Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 16 March 2015, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate 15 Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate 15 Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQMAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Europe (RI) Index (Bloomberg code: EXDMQMAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFDFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate 15 Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate 15 Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate 15 Europe (RI) (in Euro) on date t (respectively QR_d on date d),

IE_t is the value of the Euro Index (in Euro) on date t (respectively IE_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate 15 Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQMAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 20 August 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Next PLC	GB0032089863	5.95
Atos Origin	FR0000051732	5.95
Lufthansa	DE0008232125	5.95
Taylor Wimpey	GB0008782301	5.95
National Grid	GB00B08SNH34	5.95
Barratt Developments	GB0000811801	5.95
Ryanair	IE00B1GKF381	5.95
Daimler	DE0007100000	5.95
Persimmon	GB0006825383	5.95
Capita PLC	GB00B23K0M20	5.95
Ashtead Group	GB0000536739	5.95
Dixons Carphone PLC	GB00B4Y7R145	5.95
EasyJet	GB00B7KR2P84	5.95
Enagas	ES0130960018	5.95
ITV PLC	GB0033986497	5.95
fed fund exane Total return	DBDUFD	103.30
Eonia Capitalization Exane	EONCAPL7	-104.45
ICA Gruppen AB	SE0000652216	5.95
Sports Direct International PLC	GB00B1QH8P22	5.95

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Dividend Europe” “Exane Q-Rate Dividend Europe (RI)” “Exane Q-Rate Dividend Europe (RB)”

1. Introduction

The “Exane Q-Rate Dividend Europe”, “Exane Q-Rate Dividend Europe (RI)”, and “Exane Q-Rate Dividend Europe (RB)” Indices are performance indices based on the “Qrate Dividend Europe List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks with their respective weights updated every fortnight.

Within the “Exane Q-Rate Dividend Europe” Index, income and profits are not reinvested.

The “Exane Q-Rate Dividend Europe (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate Dividend Europe (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate Dividend Europe” Index will also apply to the “Exane Q-Rate Dividend Europe (RI)” and “Exane Q-Rate Dividend Europe (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 11 August 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

It is designed to capture stocks offering the best compromise between a high dividend yield and a sustainable dividend growth, with the aim of generating a high capital appreciation.

The selection is quantitative and based on several factors using fundamental data and technical data.

Fundamental factors have been designed using internal expertise of company analysts to select stocks offering a high total return potential driven mainly by their expected dividend performance.

Technical data ensure the List is less volatile and less risky than the benchmark.

The List is updated every fortnight.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List; the new weightings are implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMDIVA	EXDMDIVO	EXDMDIVU

APPENDIX

The Composition and Weighting of the Index Components on 25 August 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Airbus Group SE	NL0000235190	5.00
Atlantia	IT0003506190	2.50
Barratt Developments	GB0000811801	5.00
Capita PLC	GB00B23K0M20	5.00
Continental	DE0005439004	2.50
Daimler	DE0007100000	5.00
EasyJet	GB00B7KR2P84	2.50
Enagas	ES0130960018	5.00
GEA Group AG	DE0006602006	2.50
Givaudan	CH0010645932	5.00
Imperial Tobacco	GB0004544929	5.00
ITV PLC	GB0033986497	5.00
Kone B	FI0009013403	5.00
Neste Oyj	FI0009013296	5.00
Persimmon	GB0006825383	2.50
Publicis Groupe	FR0000130577	2.50
Renault	FR0000131906	5.00
Safran	FR0000073272	5.00
Sika	CH0000587979	5.00
Taylor Wimpey	GB0008782301	5.00
Telenor	NO0010063308	2.50
Thales	FR0000121329	2.50
Transocean Ltd	CH0048265513	5.00
WPP Group	JE00B8KF9B49	5.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Short Bobl”

1. Introduction

The “Exane Short Bobl” Index has been developed by Exane Derivatives. It is designed to take a long position in the Eonia Capitalised Index and a short position in Bobl Futures, the notional amounts of both positions being rebalanced on a quarterly basis.

The “Exane Short Bobl” Index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on July 13th, 2015 with a value of 1000 euros.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the short strategy linked to 5-Year German Government Bonds while avoiding costs linked to the use of cash instruments, namely the borrowing cost and the bid-ask spreads.

3. Construction and calculation rules of the Exane Index

3.1. Index Components

The Exane Index is composed of the following Futures and Index Instruments:

- the Eurex Bobl Futures Contracts (Bloomberg code: OEH(n) Comdty, OEM(n) Comdty, OEU(n) Comdty, OEZ(n) Comdty, n being the last digit of the current year)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)

The Exane Index relates to the performance of a notional short position the Eurex Bobl Futures Contracts closest-to-expiry, and to the interests generated by a deposit of the same notional at EONIA rate.

The positions in the relevant Eurex Bobl Futures Contracts series are rolled to the next contracts series on each “**Roll Date**”, which is the third Exchange Business Day immediately preceding the last trading day of each Eurex Bobl Futures Contracts series.

3.2. Calculation rules

3.2.1. Weighting

On each Roll Date, the Exane Index is rebalanced. The notional amount of the new position in the Eonia Capitalised Index equals the sum of:

- the notional amount invested in the Eonia Capitalised Index at the previous Roll Date;
- the interests generated from this deposit since the previous Roll Date;
- gains or losses from the short position in the Eurex Bobl Futures Contracts since the previous Roll Date.

On each Roll Date, the notional amount of the new position in the Eurex Bobl Futures Contracts equals the new notional amount in the Eonia Capitalised Index as detailed in the previous paragraph.

Therefore, on each Roll date t , ($t-1$) being the preceding Roll Date:

$$Index(t) = Index(t-1) \times \left[1 + \frac{Eonia(t)}{Eonia(t-1)} - \frac{Bobl(t)}{Bobl(t-1)} \right] \times (1 - R)$$

Where:

Eonia(t) is the Reference Price of the Eonia Capitalised Index on Roll Date t (respectively **Eonia(t-1)** on the preceding Roll Date $t-1$)

Bobl(t) is the daily settlement price of the closest-to-expiry Eurex Bobl Futures Contracts on Roll Date t . It is determined by Eurex between 17h14 and 17h15 (Paris time) and published on Bloomberg page QRM (condition SETT).

For the purpose of clarity, the closest-to-expiry Eurex Bobl Futures Contracts is the active contract EOA Comdty.

Bobl(t-1) is the daily settlement price of the second closest-to-expiry Eurex Bobl Futures Contracts on the preceding Roll Date $t-1$. It is determined by Eurex between 17h14 and 17h15 (Paris time) and published on Bloomberg page QRM (condition SETT).

For the purpose of clarity, the second closest-to-expiry Eurex Bobl Futures Contracts on Roll Date $t-1$ will have become the closest-to-expiry Eurex Bobl Futures Contracts at Roll Date t .

R represents the rolling fees and is equal to 0.03%

3.2.2. Reinvestment of income and profits of an Index Component

Not applicable, as the Index Components do not distribute income and profits.

3.2.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology "Calculation Method of the Exane Indices".

3.3. Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

- ⇒ Index Fees "F" are equal to 0%
- ⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMSOBO

APPENDIX

The Composition and Weighting of the Index Components on 13 July 2015, the last Rebalancing Date:

Name	Code or Ticker	Weighting (in %)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	100.00
Cash (1 euro)	na	100.00
Feuro Bobl 5yr 09/15 (NoDrift)	OEU5	-100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Short Bund”

1. Introduction

The “Exane Short Bund” Index has been developed by Exane Derivatives. It is designed to take a long position in the Eonia Capitalised Index and a short position in Bund Futures, the notional amounts of both positions being rebalanced on a quarterly basis.

The “Exane Short Bund” Index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on July 13th, 2015 with a value of 1000 euros.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the short strategy based on a portfolio of 10-Year German Government Bonds while avoiding costs linked to the use of cash instruments, namely the borrowing cost and the bid-ask spreads.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Futures and Index Instruments:

- the Eurex Bund Futures Contracts closest-to-expiry (Bloomberg code: RXH(n) Comdty, RXM(n) Comdty, RXU(n) Comdty, RXZ(n) Comdty, n being the last digit of the current year)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)

The Exane Index relates to the performance of a notional short position the Eurex Bund Futures Contracts closest-to-expiry, and to the interests generated by a deposit of the same notional at EONIA rate.

The positions in the relevant Eurex Bund Futures Contracts series are rolled to the next contracts series on each “**Roll Date**”, which is the third Exchange Business Day immediately preceding the last trading day of each Eurex Bund Futures Contracts series.

3.2 Calculation rules

3.2.1 Weighting

On each Roll Date, the Exane Index is rebalanced. The notional amount of the new position in the Eonia Capitalised Index equals the sum of:

- the notional amount invested in the Eonia Capitalised Index at the previous Roll Date;
- the interests generated from this deposit since the previous Roll Date;
- gains or losses from the short position in the Eurex Bund Futures Contracts since the previous Roll Date.

On each Roll Date, the notional amount of the new position in the Eurex Bund Futures Contracts equals the new notional amount in the Eonia Capitalised Index as detailed in the previous paragraph.

Therefore, on each Roll date t , ($t-1$) being the preceding Roll Date:

$$Index(t) = Index(t-1) \times \left[1 + \frac{Eonia(t)}{Eonia(t-1)} - \frac{Bund(t)}{Bund(t-1)} \right] \times (1 - R)$$

Where:

Eonia(t) is the Reference Price of the Eonia Capitalised Index on Roll Date t (respectively **Eonia(t-1)** on Roll Date $t-1$)

Bund(t) is the daily settlement price of the closest-to-expiry Eurex Bund Futures Contracts on Roll Date t . It is determined by Eurex between 17h14 and 17h15 (Paris time) and published on Bloomberg page QRM (condition SETT).

For the purpose of clarity, the closest-to-expiry Eurex Bund Futures Contracts is the active contract RXA Comdty.

Bund(t-1) is the daily settlement price of the second closest-to-expiry Eurex Bund Futures Contracts on the preceding Roll Date $t-1$. It is determined by Eurex between 17h14 and 17h15 (Paris time) and published on Bloomberg page QRM (condition SETT).

For the purpose of clarity, the second closest-to-expiry Eurex Bund Futures Contracts on Roll Date $t-1$ will have become the closest-to-expiry Eurex Bund Futures Contracts at Roll Date t .

R represents the rolling fees and is equal to 0.03%

3.2.2 Reinvestment of income and profits of an Index Component

Not applicable, as the Index Components do not distribute income and profits.

3.2.3 Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology "Calculation Method of the Exane Indices".

3.3 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

- ⇒ Index Fees "F" are equal to 0%
- ⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMSOBA

APPENDIX

The Composition and Weighting of the Index Components on 13 July 2015, the last Rebalancing Date:

Name	Code or Ticker	Weighting (in %)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	100.00
Cash (1 euro)	na	100.00
Feuro Bund 10yr 09/15 (NoDrift)	RXU5	-100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).



**Exane Finance
Debt Securities Issue Programme
unconditionally and irrevocably guaranteed by
Exane Derivatives**

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with the base prospectus dated 24 June 2015 (the “**Base Prospectus**”) and the first supplement to the Base Prospectus dated 25 August 2015 (the “**First Supplement**”) prepared in relation to the Debt Securities Issue Programme of Exane Finance (the “**Issuer**”). On 24 June 2015, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purpose of article 5.4 of the European directive 2003/71/EC (the “**Prospectus Directive**”) and article 8.4 of the Luxembourg law relating to prospectuses for securities implementing the Prospectus Directive (the “**Luxembourg Law**”).

The Second Supplement constitutes a supplement for the purposes of article 16.1 of the Prospectus Directive and article 13.1 of the Luxembourg Law.

Unless otherwise defined in the Second Supplement, terms defined in the Base Prospectus and the First Supplement shall have the same meaning when used in the Second Supplement.

To the extent that there is any inconsistency between (i) any statement in this Second Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus and the First Supplement, the statements referred to in (i) above will prevail.

In accordance with Article 13 (2) of the Luxembourg Law on Prospectuses for securities, investors who have already agreed to purchase or subscribe for the Securities before this Second Supplement is published have the right, exercisable within two business days after the publication of this Second Supplement, to withdraw their acceptances. The final date of the right withdrawal will be 5 November 2015.

The Second Supplement will be available for consultation and copies may be obtained at the registered office of the Issuer, the Principal Paying Agent and the Luxembourg Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.exane.com/exaneissues).

The purpose of this Second Supplement is:

- to incorporate by reference the half yearly financial statements as of 30 June 2015 of the Issuer and of the Guarantor and to amend the Summary accordingly;
- to amend the Description of the Issuer: Exane Finance
- to amend the Description of the Guarantor: Exane Guarantor
- to amend a definition in the Conditions of Securities
- to amend the General Methodology
- to amend the appendix to the Specific Methodologies of two Proprietary Indices. A new Specific Methodology is annexed to the Second Supplement for each of the following Proprietary Indices:
 - o Exane Investment Grade Credit Market
 - o Exane European High Yield Credit
- to add Specific Methodologies of new Proprietary Indices. A new Specific Methodology is annexed to this Second Supplement for each of the following Proprietary Indices:
 - o Exane Active Emerging (RI)
 - o Exane June 1 dividend
 - o Exane Q-Rate 15 Europe GBP/EUR exposed

- to amend the section General Information of the Base Prospectus

For the avoidance of doubt, none of the changes to the terms and conditions and the form of final terms shall apply to issues made before the date of publication of the supplement.

DOCUMENTS INCORPORATED BY REFERENCE

The Second Supplement should be read and construed in conjunction with the following documents that have been previously published or are published simultaneously with the Second Supplement and have been filed with the CSSF in its capacity as the competent Luxembourg authority for the purposes of the Prospectus Directive and the relevant Luxembourg implementing measures and that are incorporated by reference in, and form part of, the Second Supplement:

- The financial statements of Exane Finance as of 30 June 2015 (unaudited) ;
- The financial statements of Exane Derivatives as of 30 June 2015 (unaudited).

The English version of the financial statements of both Exane Finance and Exane Derivatives for the financial statements as of 30 June 2015 is an unofficial free translation for information purposes only of the French language version. The Issuer takes the responsibility of this unofficial free translation.

Copies of these documents may be obtained free of charge from the designated agencies of Exane Derivatives and/or BNP Paribas Securities Services, Luxembourg Branch in their respective capacities as Principal Paying Agent and Paying Agent in Luxembourg.

As an exception to this principle, any representation appearing in the Second Supplement or in any of the documents incorporated by reference therein shall be deemed to have been amended or replaced, for the purposes of the Second Supplement, by any representation appearing in a document subsequently filed with the CSSF and specifically intended to amend or replace said representation (whether explicitly or implicitly).

The documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Information incorporated by reference which does not appear in the cross reference tables hereunder should be considered as supplemental information and is therefore not required for the purpose of the relevant sections of Regulation EC 809/2004, as amended.

Save as disclosed in this Second Supplement, no significant change has occurred in the financial situation or trading position of the Issuer or of the Guarantor since 30 juin 2015 and there has been no material adverse changes in the Issuer or of the Guarantor's prospects since 31 December 2014 that may have an impact on the interests of the Holders in the context of the issue and offering of the Securities.

**CROSS REFERENCE LIST IN RESPECT OF THE FINANCIAL INFORMATION
RELATING TO EXANE FINANCE AS ISSUER, EXANE DERIVATIVES AS
GUARANTOR AS OF 31 DECEMBER 2013, 30 June 2014, 31 DECEMBER 2014 and as of
30 June 2015**

		<u><i>Financial Statements 2013</i></u>	<u><i>Half-yearly reports 2014 (unaudited)</i></u>	<u><i>Financial Statements 2014</i></u>	<u><i>Half-yearly reports 2015 (unaudited)</i></u>
<i>Financial information in respect of EXANE FINANCE as Issuer¹</i>	<i>Historical financial information</i>				
a) <i>Balance Sheet (asset and liabilities)</i>		page 6	page 1	page 5	page 1
b) <i>Profit and Loss Account</i>		page 7	page 2	page 6	page 2
c) <i>Cash Flow Statement</i>		page 13	page 8	page 20	page 8
d) <i>Notes to the financial statements</i>		pages 8 to 19	pages 4 to 8	pages 8 to 19	pages 4 to 7
<u><i>Attestation</i></u> : <i>report of the statutory auditors</i>		pages 1 to 4	n/a	pages 1 to 4	n/a
		<u><i>Financial Statements 2013</i></u>	<u><i>Half-yearly reports 2014 (unaudited)</i></u>	<u><i>Financial Statements 2014</i></u>	<u><i>Half-yearly reports 2015 (unaudited)</i></u>
<i>Financial information in respect of EXANE DERIVATIVES as Guarantor²</i>	<i>Historical financial information</i>				
a) <i>Balance Sheet (asset and liabilities)</i>		page 4	page 1	page 4	page 1
b) <i>Profit and Loss Account</i>		page 5	page 2	page 5	page 2
c) <i>Cash Flow Statement</i>		page 21	page 17	page 19	page 20
d) <i>Notes to the financial statements</i>		Pages 7 à 20	page 4 to 16	pages 7 to 19	page 4 to 19
<u><i>Attestation</i></u> : <i>report of the statutory auditors</i>		pages 1 to 3	n/a	pages 1 to 3	n/a

¹ The reference pages indicated for the Financial Statements 2013 and 2014 and for the half-yearly reports 2014 and 2015 relate to the electronic document.

² The reference pages indicated for the Financial Statements 2013 and 2014 and for the half-yearly reports 2014 and 2015 relate to the electronic document.

MODIFICATION OF THE SUMMARY

- The Elements B.5 of the Summary (on page 9) of the Base Prospectus is modified as follows:

B.5	Description of the Issuer's Group and its position within the Group	The Issuer has no subsidiaries. Exane Finance is a subsidiary 99.9% owned by Exane SA and is a fully consolidated company. Exane Finance forms part of the Group: a simplified Group structure chart appears below. Group means Exane SA and any direct or indirect subsidiary (as defined in article L.233-1 of the French commercial code) of Exane SA.

EXANE'S GROUP ORGANIZATION CHART
as of August 2014

```

graph TD
    PV[PARTNERS VERNER  
50%  
(60% of voting rights)] --> VI[VERNER INVESTISSEMENTS  
(Investment Holding Company)]
    BP[BNP PARIBAS  
50%  
(40% of voting rights)] --> VI
    VI -- 99.9% --> ESA[EXANE SA  
(Paris)  
(Regulator: ACP, AMF)  
- Equity  
(cash equities, financial research & analysis)  
Rep office: Stockholm  
Branches: Milan, Geneva, Frankfurt, Madrid  
Regulators: CONSOB, FINMA, BAFIN, CNMV]
    ESA -- 79% --> EAM[EXANE ASSET MANAGEMENT  
(Paris)  
(Regulator: AMF)  
- Asset management]
    PARTNERS_EAM[PARTNERS EAM  
21%] --> EAM
    EAM -- 100% subsidiary --> EAM_Lux[EXANE ASSET MANAGEMENT Lux  
(Luxembourg)  
(Regulator: CSSF)  
- Asset Management]
    ESA -- 99.99% --> EP[EXANE PARTICIPATIONS  
(Paris)]
    ESA -- 99.99% --> EDG[EXANE DERIVATIVES GERANCE  
(Paris)]
    ESA -- 99.99% --> ED[EXANE DERIVATIVES  
(Paris)  
(Regulator: ACP, AMF)  
- Derivatives Products  
(listed products, structured products, derivatives research)  
Branches: Milan, Geneva]
    ED -- subsidiary 99.9% --> EAM2[ELLIPSIS ASSET MANAGEMENT  
(Paris)  
(Regulator: AMF)]
    ED -- subsidiary 99.99% --> EO[EXANE Options  
(Paris)  
(Regulators: ACP, AMF)  
Branch: Geneva  
(Regulator: FINMA)]
    EO -- Filiale 100% --> EO_INC[EXANE Options INC  
(New York)  
(Regulators: CFTC, NFA)]
    ESA -- 99.99% --> EF[EXANE FINANCE  
(Paris)  
(Regulator: ACP, AMF)  
- Structured products issuer]
    ESA -- 100% --> EL[EXANE LTD  
(Londres)  
(Regulator: FCA)  
- Equities  
(cash equities, equity research)  
Branch: Singapour  
(Regulator: MAS) - Rep office: Shanghai (Regulator: CSRC)]
    ESA -- 100% --> EIN[EXANE INC  
(New York)  
(Regulator: SEC, FINRA)  
- Equity and derivatives  
(brokerage, research)]
    
```

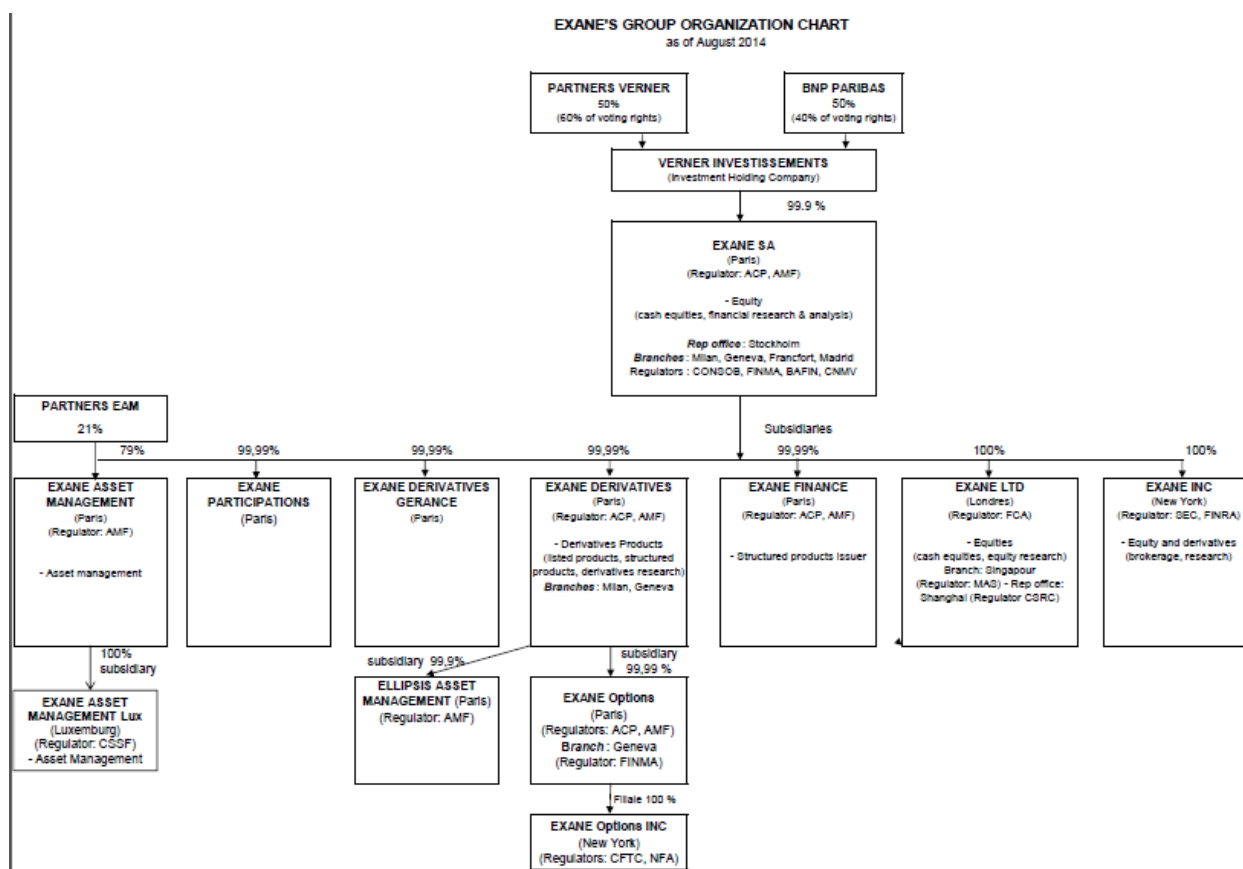
- The Elements B.12 and B.19/B.12 of the Summary (respectively on pages 10/11 and on pages 13/14) of the Base Prospectus are modified as follows:

B.12	Key historical financial information	Exane Finance				
		In K€	31 Dec. 2013	30 June 2014 (unaudited)	31 Dec. 2014	30 June 2015 (unaudited)
		Net banking income	1 752	1 275	2 388	1 306
		Operating profit	1 680	1 235	2 300	1 259
		Net profit	1 120	824	1 534	839
		Total Assets	9 757 813	12 135 689	14 167 342	16 169 350
		Total Shareholder's Equity	3 762	3 467	7 169	6 569
		There has been no material adverse change in the Issuer's prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Issuer since 30 June 2015.				

B.19/B.12	Key historical financial information	Exane Derivatives SNC				
		In K€	31 Dec. 2013	30 June 2014	31 Dec. 2014	30 June 2015 (unaudited)
		Net banking income	125 645	81 415	145 231	101 535
		Operating profit	36 119	29 786	43 441	44 220
		Net profit	26 616	22 957	33 536	33 093
		Total Assets	13 770 175	16 643 898	18 676 613	21 083 234
		Total Shareholder's Equity	45 667	68 624	79 203	79 525
		There has been no material adverse change in the Guarantor's prospects since 31 December 2014. Not applicable. There has been no significant change in the financial or trading position of the Guarantor since 30 June 2015.				

MODIFICATION OF THE DESCRIPTION OF THE ISSUER: EXANE FINANCE

- The Exane's Group organization Chart on page 606 of the Base Prospectus is modified as follows:



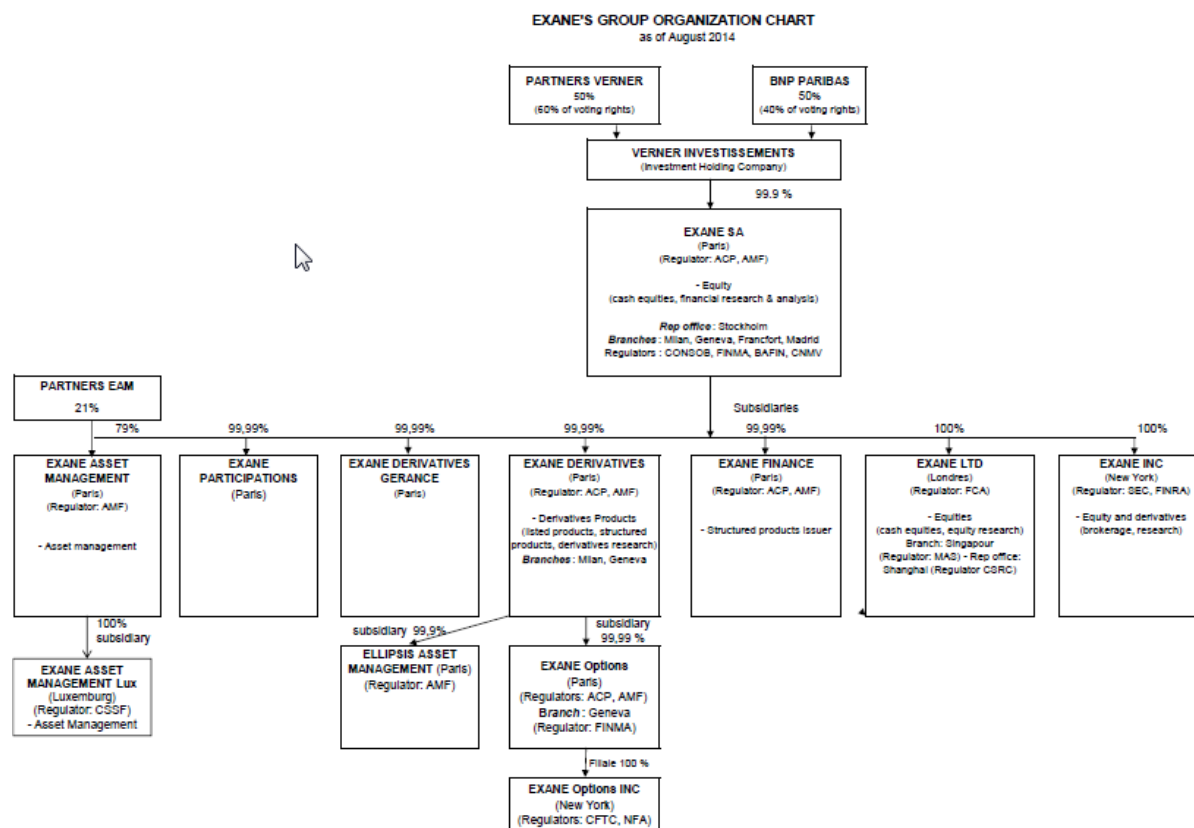
- The paragraph « Selected Financial Information » on page 608 of the Base Prospectus is modified as follows:

Selected financial information

In K€	31 December 2013	30 June 2014 (unaudited)	31 December 2014	30 June 2015 (unaudited)
Net Banking Income	1 752	1 275	2 388	1 306
Operating profit	1 680	1 235	2 300	1 259
Net profit	1 120	824	1 534	839
Total Assets	9 757 813	12 135 689	14 167 342	16 169 350
Total Shareholders' Equity	3 762	3 467	7 169	6 569

MODIFICATION OF THE DESCRIPTION OF THE GUARANTOR: EXANE DERIVATIVES

- The Exane's Group organization Chart on page 611 of the Base Prospectus is modified as follows :



- The paragraph « Selected Financial Information » on page 613 of the Base Prospectus is modified as follows :

Selected financial information

In K€	31 December 2013	30 June 2014 (unaudited)	31 December 2014	30 June 2015 (unaudited)
Net Banking Income	125 645	81 415	145 231	101 535
Operating profit	36 119	29 786	43 441	44 220
Net profit	26 616	22 957	33 536	33 093
Total Assets	13 770 175	16 643 898	18 676 613	21 083 234
Total Shareholders' Equity	45 667	68 624	79 203	79 525

CONDITIONS OF THE SECURITIES

The definition of **Exchange** in Condition 5.8 A. (iii) on page 200 of the Base Prospectus is modified by deleting the word “stock” as follows:

Exchange means for each Component, the principal exchange on which such Component is principally traded, as determined by the Calculation Agent.

PROPRIETARY INDICES

GENERAL METHODOLOGY OF PROPRIETARY INDICES

- The General Methodology is amended by adding after the title 4. “Technical Committee” on page 388 of the Base Prospectus the following title: **“4.1 Role of the Technical Committee”**.
- In Appendix 1 of the General Methodology, the first sentence of the second paragraph of section 2.5.1 on page 391 of the Base Prospectus is modified by deleting “day’s” and adding after “spreads” the following: “(bid/ask) on a Calculation Date of”. Accordingly, the first sentence of the second paragraph of 2.5.1 is:

“The spreads (bid/ask) on a Calculation Date of 17 market makers (list in Appendix Z) are recorded at 17.35 (Paris time) on Bloomberg.”

- In Appendix 1 of the General Methodology, section 3.3 in page 394 of the Base Prospectus is modified by deleting and replacing “, the non-publication of the Closing Level by the Sponsor” as follows:

Index Disruption Event means, in respect of an Index Instrument:

- **for an Index Instrument which is a multi-exchange index, the non-publication of the official level by its sponsor;**
 - **for an Index Instrument which is an Exane Index, the non-publication of the official level by its Sponsor;**
 - **for an Index Instrument which is a mono-exchange index, the Reference Market and/or related exchange fails to open for trading during its regular trading session.**
- In Appendix 1 of the General Methodology, section 3.4 in page 394 of the Base Prospectus, the words “Valuation Time” is deleted and replaced by **“Calculation Time”** when appearing in this paragraph.
 - In Appendix 1 of the General Methodology, section 3.4 in page 394 of the Base Prospectus, the words “Scheduled Closing Time” is deleted and replaced by **“scheduled closing time”** in lower case.
 - In Appendix 1 of the General Methodology, the definition of Calculation Time in section 3.4 in page 394 of the Base Prospectus is amended by deleting the words “In respect of a mono exchange index” and the two last paragraphs. Therefore, the definition of Calculation Time is modified as follows:

Calculation Time means the scheduled closing time on the relevant Reference Market on the relevant Calculation Date. If the relevant Reference Market closes prior to its scheduled closing time and the specified Calculation Time is after the actual closing time for its regular trading session, then the Calculation Time shall be such actual closing time.

- In Appendix Y of the General Methodology of the Base Prospectus, the list of Withholding Tax is updated in order to reflect the list of Withholding Tax applicable to dividends which is applied by STOXX © and available on the site <http://www.stoxx.com/indices/taxes.html>. Therefore, the list of Withholding Tax on page 420 of the Base Prospectus is modified as follows :

Appendix Y - List of Withholding Tax applicable to dividends

The withholding tax rate applicable in the country of domicile (“Withholding Tax”) is the one applied by STOXX © available on the site <http://www.stoxx.com/indices/taxes.html> and detailed in the table below **for information purposes only**.

Country	Code	Withholding tax
Argentina	AR	35,00%
Australia	AU	30,00%
Austria	AT	25,00%
Bahamas	BS	0,00%
Bahrain	BH	0,00%
Belgium	BE	25,00%
Bermuda	BM	0,00%

Country	Code	Withholding tax
Brazil	BR	0,00%
Bulgaria	BG	5,00%
Canada	CA	25,00%
Cayman Islands	KY	0,00%
Chile	CL	35,00%
China	CN	10,00%
Colombia	CO	33,00%
Croatia	HR	12,00%
Curaçao	CW	0,00%
Cyprus	CY	0,00%
Czech Republic	CZ	35,00%
Denmark	DK	27,00%
Egypt	EG	10,00%
Estonia	EE	0,00%
Finland	FI	30,00%
France	FR	30,00%
Germany	DE	26,38%
Greece	GR	10,00%
Hong Kong	HK	0,00%
Hungary	HU	16,00%
Iceland	IS	20,00%
India	IN	0,00%
Indonesia	ID	20,00%
Ireland	IE	20,00%
Isle of Man	IM	0,00%
Israel	IL	30,00%
Italy	IT	26,00%
Japan	JP	20,315%
Jersey	JE	0,00%
Jordan	JO	0,00%
Kuwait	KW	0,00%
Latvia	LV	10,00%
Liberia	LR	0,00%
Liechtenstein	LI	0,00%
Lithuania	LT	15,00%
Luxembourg	LU	15,00%
Macedonia (FYROM)	MK	10,00%
Malaysia	MY	0,00%
Malta	MT	35,00%
Marshall Islands	MH	0,00%
Mauritius	MU	0,00%
Mexico	MX	10,00%
Morocco	MA	15,00%
Netherlands	NL	15,00%
New Zealand	NZ	33,00%
Nigeria	NG	10,00%
Norway	NO	25,00%
Oman	OM	0,00%
Pakistan	PK	10,00%
Panama	PA	20,00%
Papua New Guinea	PG	0,00%
Peru	PE	4,10%
Philippines	PH	30,00%
Poland	PL	19,00%
Portugal	PT	28,00%
Qatar	QA	0,00%
Romania	RO	16,00%
Russia	RU	15,00%
Saudi Arabia	SA	5,00%

Country	Code	Withholding tax
Serbia	RS	20,00%
Singapore	SG	0,00%
Slovak Republic	SK	0,00%
Slovenia	SI	15,00%
South Africa	ZA	15,00%
South Korea	KR	22,00%
Spain	ES	19,50%
Sri Lanka	LK	10,00%
Sweden	SE	30,00%
Switzerland	CH	35,00%
Taiwan	TW	20,00%
Thailand	TH	10,00%
Tunisia	TN	5,00%
Turkey	TR	15,00%
Ukraine	UA	15,00%
United Arab Emirates	AE	0,00%
United Kingdom	GB	0,00%
USA	US	30,00%
Venezuela	VE	0,00%
Vietnam	VN	0,00%
British Virgin Islands	VG	0,00%

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Investment Grade Credit Market”

1. Introduction

The “Exane Investment Grade Credit Market” index is a performance index composed of a systematic strategy that consists in selling protection on the credit derivatives market and a synthetic investment in the long-term yield curve via indexing to a long interest rate position.

The Exane Investment Grade Credit Market index is a Proprietary Index as per the applicable Base Prospectus (available on the issuer’s website www.exane.com/exaneissues) hereafter referred to as the “Exane Index”.

The Creation Date of the Exane Index is 29 August 2014; its value at creation was 1,000 euro.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to benefit from the spreads paid by buyers of hedging on European investment grade issuers and the exposure to the yield curve via synthetic exposure to a swap (“Interest Rate Swap”).

3. Construction and calculation rules of the Exane Index

3.1 Selection of the Index Components

The components of the Exane Index are:

- In order to benefit from the credit spreads
 - A credit index (“Credit Index”): the Itraxx europe 5 year long total return, available on Bloomberg page ITRXTE5I Index, designed by Markit to reflect a reiterated investment on the credit risk of a basket of tens of issuers.
- In order to benefit from the exposure to the yield spread
 - A capitalisation index (“Capitalisation Index”) in euro available on Bloomberg page EONCAPL7 Index, used to determine the variable paying leg of the Interest Rate Swap
 - Swap rates on the Bloomberg pages EUSWE4 CMPL Curncy, EUSWE5 CMPL Curncy and EUSWE6 CMPL Currency, which determine the fixed received leg in the Swap Rate.

3.2 Calculation principle

3.2.1 Definitions

Let d be a trading day and $N(d-1, d)$ the number of calendar days between $d-1$ and d .

A series is a list of issuers corresponding to the Credit Index and published on Bloomberg page DES of the ITRX EUR CDSI GEN 5Y MKIT Corp. Each series has a starting date and a maturity date.

The series change every 20 March and 20 September (or the next London trading day), which are the Roll Dates. At each Roll Date, a new series is created. The current series (“the series”) is associated to a given d date.

Let $\text{CreditIndex}(d)$ be the value of the Credit Index at d date.

Let $\text{EONCAP}(d)$ be the value of the Capitalisation Index at d date.

Let $m(d)$ be the maturity of the Series on d date. Note that if d is a Roll Date, $m(d)$ is the maturity of the new Series.

Let $P(d)$ be the portion of year between:

d date, and the date corresponding to $m(d)$ minus 4 years,

where: d date, and the date corresponding to $m(d-1)$ minus 4 years, if d is a Roll Date,

Calculated as the ratio between:

(i) the number of calendar days between the d date and the $m(d)$ date [or $m(d-1)$ if d is a Roll Date] minus

4 years;

and (ii) the basis is 360 days.

Let $sw(d)$ be the swap rate in euro, starting on d date and maturing on $m(d)$ obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. $sw(d)$ fixings are observed by Bloomberg's CMPL contributor.

Let $swa(d)$ be the swap rate in euro, starting at d date and maturing at $m(d-1)$ obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. $swa(d)$ fixings are observed by Bloomberg's CMPL contributor.

3.2.2 Base currency

The base currency of the Exane Index is the euro.

3.2.3 Interest rate swaps

The Interest Rate Swap is a swap with a duration of almost five years:

- Paying the Eonia variable rate
- Receiving the fixed swap rate

Between two consecutive dates, the change in the value of the Interest Rate Swap breaks down into a change in the value of accrued interest and the change in the valuation of the Interest Rate Swap excluding accrued interest.

- The change in the valuation of accrued interest, also called $ChangeAI(d)$ is defined as follows:

- If d is the first London trading day after a Roll Date

$$ChangeAI(d) = (sw(d-1) - 0.005\%) \times \frac{N(d-1,d)}{360} - \left(\frac{EONCAP(d)}{EONCAP(d-1)} - 1 \right)$$

- Otherwise

$$ChangeAI(d) = sw(d-1) \times \frac{N(d-1,d)}{360} - \left(\frac{EONCAP(d)}{EONCAP(d-1)} - 1 \right)$$

- The change in the valuation of the Interest Rate Swap excluding accrued interest, also called $ChangeSwapRate(d)$, is defined in three ways:
 - If d is a Roll Date

$$ChangeSwapRate(d) = [sw(d-1) - (swa(d) + 0.005\%)] \times \left[\frac{P(d)}{(1 + swa(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + swa(d))^i} \right]$$

- if d is the London trading day following a Roll Date:

$$ChangeSwapRate(d) = [(sw(d-1) - 0.005\%) - sw(d)] \times \left[\frac{P(d)}{(1 + sw(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + sw(d))^i} \right]$$

- in the other cases

$$ChangeSwapRate(d) = [sw(d-1) - sw(d)] \times \left[\frac{P(d)}{(1 + sw(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + sw(d))^i} \right]$$

3.3 Calculation Formulae

Index Calculation is carried out by iteration according to the following formula

$Index(0)=1000$

$Index(d+1) =$

$$Index(d) \times \left\{ \frac{CreditIndex(d+1)}{CreditIndex(d)} + (ChangeSwapRate(d+1) + ChangeAI(d+1)) \times \frac{EONCAP(d+1)}{EONCAP(d)} \right\}$$

4. List of Technical committee

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Indices is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXM> as indicated below:

Source		Exane Investment Grade Credit Market index
Bloomberg	Page	ALLX EXDM
	Code	EXDMIGCM

APPENDIX

The Index benefits from the spreads paid by buyers of hedging on European Investment grade issuers (as per formula in §3.3 in the form of $\text{CreditIndex}(d+1)/\text{CreditIndex}(d)$) and from the exposure to the yield curve via synthetic exposure to a swap (this exposure being altogether an accrued expressed as $\text{ChangeAI}(d+1)$ and a valuation effect referred as $\text{ChangeSwapRate}(d+1)$ in the said paragraph), thus leading to an exposure to a synthetic bond of a duration of 5 years (on both credit and rates) on the last rebalancing date (since the monetary accrual is added to the synthetic credit and interest rates exposures, in the form of $\text{EONCAP}(d+1)/\text{EONCAP}(d)$)

The Composition and Weighting of the Exane Index Components on 21 September 2015, the last Rebalancing Date:

Code Bloomberg	Poids
Synthetic 5y Bond	100%

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane European High Yield Credit”

1. Introduction

The “Exane European High Yield Credit” index is a performance index composed of a systematic strategy that consists in selling protection on the credit derivatives market and a synthetic investment in the long-term yield curve via indexing to a long interest rate position.

The Exane European High Yield Credit index is a Proprietary Index as per the Base Prospectus applicable (available on the issuer’s website www.exane.com/exaneissues) hereafter referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 29 August 2014; its value at creation was 1,000 euro.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to benefit from the spreads paid by buyers of hedging on European non investment grade issuer and the exposure to the yield curve by being synthetically exposed to a swap (“Interest Rate Swap”).

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The components of the Exane Index are:

- To benefit from the credit spreads
 - A credit index (“Credit Index”): the Itraxx crossover 5 year long total return, available on Bloomberg page ITRXTX5I Index, designed by Markit to reflect a reiterated investment on the credit risk of a basket of tens of issuers.
- To benefit from the exposure to the yield spread
 - A capitalisation index (“Capitalisation Index”) in euro available on Bloomberg page EONCAPL7 Index, used to determine the variable paying leg of the Interest Rate Swap

Swap rates on the Bloomberg pages EUSWE4 CMPL Curncy, EUSWE5 CMPL Curncy, EUSWE6 CMPL Currency, which determine the fixed received leg in the Swap Rate.

3.2. Calculation principle

3.2.1. Definitions

Let d be a trading day and $N(d-1, d)$ the number of calendar days between $d-1$ and d .

A series is a list of issuers corresponding to the Credit Index and published on Bloomberg page DES of the ITRX XOVER CDSI GEN 5Y MKIT Corp. Each series has a starting date and a maturity date.

The series change every 20 March and 20 September (or the next London trading day), which are the Roll Dates. At each Roll Date, a new series is created. The current series (“the series”) is associated to a given d date.

Let $\text{CreditIndex}(d)$ be the value of the Credit Index at d date.

Let $\text{EONCAP}(d)$ be the value of the Capitalisation Index at d date.

Let $m(d)$ be the maturity of the Series on d date. Note that if d is a Roll Date, $m(d)$ is the maturity of the new Series.

Let $P(d)$ be the portion of year between:

d date, and the date corresponding to $m(d)$ minus 4 years,

or else between:

d date, and the date corresponding to $m(d-1)$ minus 4 years, if d is a Roll Date, Calculated as the ratio between:

- (i) the number of calendar days between the d date and the m(d)date [or m(d-1) if d is a Roll Date] minus 4 years; and,
- (ii) the basis, 360 days.

Let $sw(d)$ be the swap rate in euro, starting on d date and maturing on m(d) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. $sw(d)$ fixings are observed on Bloomberg's CMPL contributor.

Let $swa(d)$ be the swap rate in euro, starting at d date and maturing at m(d-1) obtained by linear interpolation of Bloomberg pages EUSWE4 and EUSWE5 or between Bloomberg pages EUSWE5 and EUSWE6, expressed as a percentage. $swa(d)$ fixings are observed on Bloomberg's CMPL contributor.

3.2.2. Base currency

The base currency of the Exane Index is the euro.

3.2.3 Interest rate swap

The Interest Rate Swap is a swap with duration of almost five years:

- Paying the Eonia variable rate
- Receiving the fixed swap rate

Between two consecutive dates, the change in the value of the Interest Rate Swap breaks down into a change in the value of accrued interest and the change in the valuation of the Interest Rate Swap excluding accrued interest.

- The change in the valuation of accrued interest, also called $ChangeAI(d)$ is defined as follows:
 - If d is the first London trading day following a Roll Date

$$ChangeAI(d) = (sw(d-1) - 0.005\%) \times \frac{N(d-1,d)}{360} - \left(\frac{EONCAP(d)}{EONCAP(d-1)} - 1 \right)$$
 - Otherwise

$$ChangeAI(d) = sw(d-1) \times \frac{N(d-1,d)}{360} - \left(\frac{EONCAP(d)}{EONCAP(d-1)} - 1 \right)$$
- The change in the valuation excluding accrued interest of the Interest Rate Swap, also called $ChangeSwapRate(d)$, is defined in three ways:
 - If d is a Roll Date

$$ChangeSwapRate(d) = [sw(d-1) - (swa(d) + 0.005\%)] \times \left[\frac{P(d)}{(1 + swa(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + swa(d))^i} \right]$$

- if d is the London trading day following a Roll Date:

$$ChangeSwapRate(d) = [(sw(d-1) - 0.005\%) - sw(d)] \times \left[\frac{P(d)}{(1 + sw(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + sw(d))^i} \right]$$

- in the other cases

$$ChangeSwapRate(d) = [sw(d-1) - sw(d)] \times \left[\frac{P(d)}{(1 + sw(d))^{P(d)}} + \sum_{i=2}^5 \frac{1}{(1 + sw(d))^i} \right]$$

3.3. Calculation Formulae

Index Calculation is carried out by iteration according to the following formula

$Index(0)=1000$

$Index(d+1) =$

$$Index(d) \times \left(1 - \frac{F}{252} \right) \times \left\{ \frac{CreditIndex(d+1)}{CreditIndex(d)} + (ChangeSwapRate(d+1) + ChangeAI(d+1)) \times \frac{EONCAP(d+1)}{EONCAP(d)} \right\}$$

F is equal to 0.35% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.20% thereafter.

4. List of Technical Committee

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Indices is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXM> as indicated below:

	Exane Index European High Yield Credit
Bloomberg	ALLX EXDM
	EXDMEHYC

APPENDIX

The Index benefits from the spreads paid by buyers of hedging on European non Investment grade issuers (as per formula in §3.3 in the form of $\text{CreditIndex}(d+1)/\text{CreditIndex}(d)$) and from the exposure to the yield curve via synthetic exposure to a swap(this exposure being altogether an accrued expressed as $\text{ChangeAI}(d+1)$ and a valuation effect referred as $\text{ChangeSwapRate}(d+1)$ in the said paragraph) , thus leading to an exposure to a synthetic bond of a duration of 5 years (on both credit and rates) on the last rebalancing date (since the monetary accrual is added to the synthetic credit and interest rates exposures, in the form of $\text{EONCAP}(d+1)/\text{EONCAP}(d)$)

The Composition and Weighting of the Exane Index Components on 21 September 2015, the last Rebalancing Date:

Code Bloomberg	Poids
Synthetic 5y Bond	100%

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates that the value of the Index be calculated based on predetermined rules set out in the Index Calculation Methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection or its calculation.

The impartiality and independence of the Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Active Emerging (RI)”

1. Introduction

The “Exane Active Emerging (RI)” Index is a performance index based on the “Active Emerging” list (the “List”) established by Exane Research (the “Research Team”). The List is a weighted list of countries, indices and trackers, and can include cash, updated on a monthly basis.

The “Exane Active Emerging (RI)” Index is calculated with net income and profits reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”

The Exane Index was created on 22 October 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

The List is made up of sovereign emerging countries and Exane Proprietary Indices (with net income and profits reinvested or RI) in order to gain access to emerging markets associated with a percentage (the sum of which is 100%).

The List may occasionally and temporarily include, in lieu of one or more countries or proprietary indices, the tracker of emerging markets available on Bloomberg EEM US and may include cash in USD not exceeding 10% of the Index on the rebalancing date.

The List is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria to new entries as described in paragraph 3 of “Construction and calculation rules of the Exane Index” in the General Methodology and in paragraph 3.2 below.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this Specific Methodology.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Component undergoes a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Exane Index Components at each Technical Committee Meeting according to the List; the new weightings are implemented on the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane RI Index is calculated with income and profits reinvested (after withholding of tax when applicable) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the U.S. Dollar (USD). The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4 Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as per Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0%.
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will apply.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Index is available on the website www.exane.com.

The Exane Index is available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Code Bloomberg	EXDMAEMT

APPENDIX

The Composition and Weighting of the Exane Index Components on 22 October 2015, the last Rebalancing Date:

EXANE ACTIVE EMERGING (RI)	Code ISIN/Bloomberg	Weight (%)
Exane Nemo RI	EXDMNMOR	85.00
iShares China Large-Cap ETF	FXI US Equity	15.00
	Total	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane June 1 dividend”

1. Introduction

The “Exane June 1 dividend” Index has been developed by Exane Derivatives. It is designed to take a long position in the Eonia Capitalised Index and a long position in Euro Stoxx 50 index dividend future the notional amounts of both positions being rebalanced on a yearly basis.

The “Exane June 1 dividend” Index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on September 7th, 2015 with a value of 1000 euros.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objective

The objective of the Exane Index is to enable investment in the long dividend strategy based on the available Euro Stoxx 50 index dividend future.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Futures and Index Instruments:

- the Euro Stoxx 50 index dividend future (Bloomberg code: DEDZ(n) Index, n being the last 2 digits of the dividend year, or one digit after 2014) : until the Roll Date of calendar year n included, DEDZ(n) is used and DEDZ(n+1) is afterwards.
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)

The Exane Index relates to the performance of a notional long position on the Euro Stoxx 50 index dividend future of the year until end of May, and a long position on the Euro Stoxx 50 index dividend future of the following year starting the first trading day of June, and to the interests generated by a deposit of the same notional at EONIA rate.

The positions in the relevant Euro Stoxx 50 index dividend future are rolled to the next Euro Stoxx 50 index dividend future on each “Roll Date”, which is the first trading day of June.

3.2 Calculation rules

3.2.1 Weighting

On each Roll Date, the Exane Index is rebalanced. The notional amount of the new position in the Eonia Capitalised Index equals the sum of:

- the notional amount invested in the Eonia Capitalised Index at the previous Roll Date;
- the interests generated from this deposit since the previous Roll Date;
- gains or losses from the long position in the Euro Stoxx 50 index dividend future since the previous Roll Date, minus a rolling fee of 1%

On each Roll Date, the notional amount of the new position in the Euro Stoxx 50 index dividend future equals the new notional amount in the Eonia Capitalised Index as detailed in the previous paragraph.

In other terms, let DEDZ(t) be

DEDZ(n) if t is in the calendar year n before and on the Roll Date of calendar year n,
and DEDZ(n+1) afterwards.

Then on each Roll date t , $(t-1)$ being the preceding Roll Date:

$$\text{Index}(t) = \text{Index}(t-1) \times [\text{Eonia}(t)/\text{Eonia}(t-1) + \text{Div}(t)/\text{Div}(t-1) - 1] \times (1-R)$$

Where:

$\text{Eonia}(t)$ is the Reference Price of the Eonia Capitalised Index on Roll Date t (respectively $\text{Eonia}(t-1)$ on Roll Date $t-1$)
 $\text{Div}(t)$ is the daily settlement price of the DEDZ(t-1) Index on Roll Date t (Resp. $\text{Div}(t-1)$ is DEDZ(t-1) on Roll Date $(t-1)$)).

R represents the rolling fees and is equal to 1%.

3.2.2 Reinvestment of income and profits of an Index Component

Not applicable, as the Index Components do not distribute income and profits.

3.2.3 Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.3. Calculation Formulae

The Index Calculation Agent will use the following calculation formulae

- a) Between the creation of the Index September 7th 2015 and the first Roll Date following this date, excluded:

Let t be a Calculation Date between the above 2 dates,

$$\text{Index}(t) = 1000 \times [\text{Eonia}(t)/\text{Eonia}(0) + \text{Div}(t)/\text{Div}(0) - 1]$$

Where:

$\text{Eonia}(t)$ is the Reference Price of the Eonia Capitalised Index on t (respectively $\text{Eonia}(0)$ on September 7th 2015),
 $\text{Div}(t)$ is the daily settlement price of the DEDZ6 Index on t (Resp. $\text{Div}(0)$ on September 7th 2015).

- b) On the first Roll Date.

Let t_1 be the first Roll Date following September 7th 2015

$$\text{Index}(t_1) = 1000 \times [\text{Eonia}(t_1)/\text{Eonia}(0) + \text{Div}(t_1)/\text{Div}(0) - 1] \times (1-R)$$

Where:

$\text{Eonia}(t_1)$ is the Reference Price of the Eonia Capitalised Index on t_1 (respectively $\text{Eonia}(0)$ on September 7th 2015),
 $\text{Div}(t_1)$ is the daily settlement price of the DEDZ6 Index on t_1 (Resp. $\text{Div}(0)$ on September 7th 2015),
 R represents the rolling fees and is equal to 1%.

- c) In between 2 Roll Dates

Let t_1 be a Roll Date, t_2 the Roll Date immediately following t_1 and let t be a Calculation Date between t_1 and t_2 excluded.

$$\text{Index}(t) = \text{Index}(t_1) \times [\text{Eonia}(t)/\text{Eonia}(t_1) + \text{Div}(t)/\text{Div}(t_1) - 1]$$

Where:

$\text{Eonia}(t)$ is the Reference Price of the Eonia Capitalised Index on t (respectively $\text{Eonia}(t_1)$ on t_1),
 $\text{Div}(t)$ is the daily settlement price of the DEDZ(t1) Index on t (Resp. $\text{Div}(t_1)$ on t_1).

- d) On a Roll Date

Let t_1 be a Roll Date, t_2 the Roll Date immediately following t_1

$$\text{Index}(t2)=\text{Index}(t1)\times[\text{Eonia}(t2)/\text{Eonia}(t1) +\text{Div}(t2)/\text{Div}(t1) -1]\times(1-R)$$

Where:

Eonia(t2) is the Reference Price of the Eonia Capitalised Index on t2 (respectively Eonia(t1) on t1),

Div(t2) is the daily settlement price of the DEDZ(t1) Index on t2 (Resp. Div(t1) on t1),

R represents the rolling fees and is equal to 1%.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMF1DV

APPENDIX

The Composition and Weighting of the Index Components on September 7th 2015, the last Rebalancing Date:

Name	Bloomberg Code	Weight
Euro Stoxx 50 index dividend future	DEDZ6	100
Eonia Capitalised Index	EONCAPL7	100
Cash (1 euro)	CASHEURO	-100.00
	Total	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

Disclaimer: STOXX

The Euro Stoxx 50 index dividend future (the STOXX Index) is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The Exane Index based on the STOXX Index is in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe GBP/EUR exposed”

1. Introduction

The “**Exane Q-Rate 15 Europe GBP/EUR exposed**” Index is a performance index composed of:

- an investment in the Exane Q-Rate 15 Europe (RI) index,
- a position on a British Pound-denominated capitalised index, and
- the Eonia Capitalised Index.

The Exane Q-Rate 15 Europe GBP/EUR exposed Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 11 August 2015, with an initial value of EUR 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate 15 Europe (RI) Index with a dynamic GBP short position.

The Exane Q-Rate 15 Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQMAR and its methodology is available on www.exane.com.

The forex position is implemented with a borrowing position on the GBP and a lending position on the EUR, this position is renewed every month at an amount equal to 100% of the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Europe (RI) Index (Bloomberg code: EXDMQMAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Sonia Index (Bloomberg code: DBMMSONI Index) (the “**GBP Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in EUR is calculated based on the value of the Exane Q-Rate 15 Europe (RI) Index.

This value converted into GBP (based on the exchange rate available on Bloomberg GBPEUR=R at 17.45, Paris time) is systematically borrowed from the GBP Index based on the value available on Bloomberg DBMMSONI Index at close and is synthetically reinvested in EUR in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate 15 Europe (RI) Index.

On the same date, this amount is converted into GBP and synthetically borrowed from the GBP Index based on the value available on Bloomberg DBMMSONI Index at close and is synthetically reinvested in EUR in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252}\right)^{(t-d)} \times \left[\frac{(QRt)}{(QRd)} + \left(\frac{El t}{El d} - \frac{(Glt \times FXt)}{(Gld \times FXd)} \right) \right]$$

Where:

QRt is the value of Exane Q-Rate 15 Europe (RI) (in Euro) on date t (respectively QRd on date d),

El t is the value of the Euro Index (in Euro) on date t (respectively El d on date d),

Glt is the value of the GBP Index on date t (respectively Gld on date d),

FXt is the exchange rate on date t, expressed as the number of Euro for 1 GBP (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another, it is deemed equal to 0.50%.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRAG

APPENDIX

The Composition and Weighting of the Exane Index on 13 October 2015, the Creation Date of the Index:

EXANE Q-RATE 15 EUROPE GBP/EUR exposed	ISIN/ Bloomberg Code	Weighting (%)
Next PLC	GB0032089863	5.95
Atos SE	FR0000051732	6.05
Lufthansa	DE0008232125	6.91
Taylor Wimpey	GB0008782301	5.67
Wolseley	JE00BFNWV485	5.22
Barratt Developments	GB0000811801	5.68
Ryanair	IE00B1GKF381	5.65
Persimmon	GB0006825383	5.54
Capita PLC	GB00B23K0M20	6.14
Ashtead Group	GB0000536739	5.93
Dixons Carphone PLC	GB00B4Y7R145	5.99
EasyJet	GB00B7KR2P84	5.77
Eonia Capitalization Exane	EONCAPL7	99.50
ICA Gruppen AB	SE0000652216	6.30
Sports Direct International PLC	GB00B1QH8P22	5.25
INTERNATIONAL CONSOLIDATED AIRLINES GROUP	ES0177542018	5.61
RTL Group SA	LU0061462528	5.68
SONIA TR (SJ d'indice)	DBMMSONI	-98.69
TUI AG (London)	DE000TUAG000	5.85
	Total	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

GENERAL INFORMATION

The paragraph “No Significant Change” on page 693 of the Base Prospectus is modified as follows:

No significant change

No significant change has occurred in the financial position and trading position of the Issuer or of the Guarantor since the last financial statements established on **30 June 2015**.

**THIRD SUPPLEMENT
TO THE BASE PROSPECTUS
dated 11 January 2016**



**EXANE FINANCE
Debt Securities Issue Programme
Unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES**

This third supplement (the “**Third Supplement**”) is supplemental to, and should be read in conjunction with the base prospectus dated 24 June 2015 (the “**Base Prospectus**”), the first supplement to the Base Prospectus dated 25 August 2015 (the “**First Supplement**”) and the second supplement to the Base Prospectus dated 3 November 2015 (the “**Second Supplement**”) (together, the “**Supplements**”) prepared in relation to the Debt Securities Issue Programme of Exane Finance (the “**Issuer**”). On 24 June 2015, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purpose of article 5.4 of the European directive 2003/71/EC (the “**Prospectus Directive**”) and article 8.4 of the Luxembourg law relating to prospectuses for securities implementing the Prospectus Directive (the “**Luxembourg Law**”).

The Third Supplement constitutes a supplement for the purposes of article 16.1 of the Prospectus Directive and article 13.1 of the Luxembourg Law.

Unless otherwise defined in the Third Supplement, terms defined in the Base Prospectus, the First Supplement and the Second Supplement shall have the same meaning when used in the Third Supplement.

To the extent that there is any inconsistency between (i) any statement in this Third Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, the First Supplement or the Second Supplement, the statements referred to in (i) above will prevail.

In accordance with Article 13 (2) of the Luxembourg Law on Prospectuses for securities, investors who have already agreed to purchase or subscribe for the Securities before this Third Supplement is published have the right, exercisable within two business days after the publication of this Third Supplement, to withdraw their acceptances. The final date of the right withdrawal will be 13 January 2016.

Save as disclosed in this Third Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus and any other previously approved Supplements.

The Third Supplement will be available for consultation and copies may be obtained at the registered office of the Issuer, the Principal Paying Agent and the Luxembourg Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.exane.com/exaneissues).

The purpose of this Third Supplement is:

- to amend the Form of Final Terms for the Certificates/CLN/Hybrid Securities
- to correct a manifest error in the Specific Methodologies of the following Proprietary Indices:
 - o Exane Active Allocation Convertible Bonds (RI)
 - o Exane Active Allocation Financial Bonds (RI)
 - o Exane Active Allocation High Yield Bonds (RI)
 - o Exane Active Allocation M&A Credit (RI)
 - o Exane Deep Value & Exane Deep Value (RI)
 - o Exane Dividend Growers & Exane Dividend Growers (RI)
 - o Exane Emerging Consumer & Exane Emerging Consumer (RI)
 - o Exane Emerging Debt (RI)
 - o Exane Emerging Market & Exane Emerging Market (RI)
 - o Exane European Active
 - o Exane Key Ideas & Exane Key Ideas (RI)
 - o Exane M&A & Exane M&A (RI)
 - o Exane M&A Core (RI)
 - o Exane Master Small Caps & Exane Master Small Caps (RI)
 - o Exane Multi Asset Class (RI)
 - o Exane Nemo & Exane Nemo (RI)
 - o Exane Nemo Core & Exane Nemo Core (RI)
 - o Exane Q-Rate 15 Europe & Exane Q-Rate 15 Europe (RI) & Exane Q-Rate 15 Europe (RB)
 - o Exane Q-Rate 15 Low Risk Europe & Exane Q-Rate 15 Low Risk Europe (RI) & Exane Q-Rate 15 Low Risk Europe (RB)
 - o Exane Q-Rate Europe & Exane Q-Rate Europe (RI) & Exane Q-Rate Europe (RB) & Exane Q-Rate Europe (D)
 - o Exane Q-Rate Japan & Exane Q-Rate Japan (RI) & Exane Q-Rate Japan (RB)
 - o Exane Q-Rate US & Exane Q-Rate US (RI) & Exane Q-Rate US (RB)
- To amend the Specific Methodologies of seven (7) Proprietary Indices. A new Specific Methodology is annexed to this Third Supplement for each of the following Proprietary Indices :
 - o Exane European Active
 - o Exane Enhanced Q Europe
 - o Exane Q-Rate Europe USD
 - o Exane Q-Rate Japan EURO
 - o Exane Q-Rate Japan USD
 - o Exane Q-Rate US EURO
 - o Exane Q-Rate 15 Europe USD

For the avoidance of doubt, the amendments to the Specific Methodologies of the above mentioned seven (7) Proprietary Indices are marked in red in each Specific Methodology.

- To add Specific Methodologies of new Proprietary Indices. A new Specific Methodology is annexed to this Third Supplement for each of the following Proprietary Indices:
 - o Exane Q-Rate 15 Europe Market Neutral
 - o Exane Q-Rate Dividend Europe Market Neutral
 - o Exane Q-Rate Europe Market Neutral
 - o Exane Q-Rate US Market Neutral
 - o Exane Managed Allocation Convertible Bonds (RI)
 - o Exane Managed Allocation Financial Bonds (RI)
 - o Exane Managed Allocation High Yield Bonds (RI)
 - o Exane Managed Allocation High Yield Convertible Bonds (RI)
 - o Exane Managed Allocation Hybrid Corporate Bonds (RI)
 - o Exane Managed Allocation Low Vol Financial Bonds (RI)
 - o Exane Managed Allocation M&A Credit (RI)

For the avoidance of doubt, none of the changes to the terms and conditions and the form of final terms shall apply to issues made before the date of publication of the supplement.

FORM OF THE FINAL TERMS FOR THE CERTIFICATES/CLN / HYBRID SECURITIES

The item 8 - Part B of the Form of Final Terms of the Base Prospectus (on page 688) shall be amended as follows :

8. Placement and Subscription

[As at the Issue Date, it is not expected that any placement fees will be payable to third parties in connection with these [Certificates/CLN/Hybrid Securities]./ Exane Derivatives will **[pay][receive]** a fee to third parties in connection with the placement of these [Certificates/CLN/Hybrid Securities] in the form of either commission or an amount equal to the difference between the subscription price for the [Certificate/CLN/Hybrid Securities] and the price payable by investors. / Exane Derivatives may receive a placement fee from [a] third party(ies). / Further information on the amount of any fees [paid/ received] are available on request from Exane Derivatives (16, avenue Matignon – 75008 Paris - France).]

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

- The title of each paragraph 3.3.3 “Reinvestment of income and profits of an Index Component”, with respect to the Proprietary Indices mentioned below, shall be amended and replaced by “**3.3.3. Base Currency and foreign exchange risk**”.
- Furthermore, the paragraph 3.3.3. of these Specific Methodologies shall be amended as follows :

“3.3.3 Base Currency and foreign exchange risk

*“The Base **Currency** of the Exane Index is the Euro. The foreign exchange risk, **if there is any**, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.*

These modifications shall apply to the Specific Methodologies of the following Proprietary Indices:

- Exane Active Allocation Convertible Bonds (RI)
- Exane Active Allocation Financial Bonds (RI)
- Exane Active Allocation High Yield Bonds (RI)
- Exane Active Allocation M&A Credit (RI)
- Exane Deep Value & Exane Deep Value (RI)
- Exane Dividend Growers & Exane Dividend Growers (RI)
- Exane Emerging Consumer & Exane Emerging Consumer (RI)
- Exane Emerging Debt (RI)
- Exane Emerging Market & Exane Emerging Market (RI)
- Exane European Active
- Exane Key Ideas & Exane Key Ideas (RI)
- Exane M&A & Exane M&A (RI)
- Exane M&A Core (RI)
- Exane Master Small Caps & Exane Master Small Caps (RI)
- Exane Multi Asset Class (RI)
- Exane Nemo & Exane Nemo (RI)
- Exane Nemo Core & Exane Nemo Core (RI)
- Exane Q-Rate 15 Europe & Exane Q-Rate 15 Europe (RI) & Exane Q-Rate 15 Europe (RB)
- Exane Q-Rate 15 Low Risk Europe & Exane Q-Rate 15 Low Risk Europe (RI) & Exane Q-Rate 15 Low Risk Europe (RB)
- Exane Q-Rate Europe & Exane Q-Rate Europe (RI) & Exane Q-Rate Europe (RB) & Exane Q-Rate Europe (D)
- Exane Q-Rate Japan & Exane Q-Rate Japan (RI) & Exane Q-Rate Japan (RB)
- Exane Q-Rate US & Exane Q-Rate US (RI) & Exane Q-Rate US (RB)

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane European Active”

1. Introduction

The “Exane European Active” Index is a performance index based on the “European Active List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of weighted Proprietary Indices.

Within the “Exane European Active” Index, income and profits are not reinvested.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 23 September 2013.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

On the strength of its expertise, the Research Team builds an allocation on the Proprietary Indices ~~exclusively~~, **exclusively** composed of European equities, **and** replicating the European equities recommended lists created by the ~~Exane BNP Paribas~~ research **of Exane BNP Paribas**. This allocation is defined by the Research Team, alongside the equity strategists and those in charge of the recommended European equities lists created by Exane BNP Paribas.

The List is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Index Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting according to the List; the new weighting is implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.25% between the Creation Date of the Exane Index and June 19, 2015 (inclusive) and 0.20% thereafter.
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMEUAI

APPENDIX

The Composition and Weighting of the Index Components on 08 April 2015, the last Rebalancing Date:

Name	Bloomberg Code	Weighting (in%)
Exane M&A (RI)	EXDMMARI	23.00
Exane Dividend Growers (RI)	EXDMDIVR	18.00
Exane Deep Value (RI)	EXDMRECR	28.00
Exane Emerging Consumer (RI)	EXDMIECR	23.00
Exane Key Ideas (RI)	EXDMIKIR	8.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Enhanced Q Europe”

1. Introduction

The Exane Enhanced Q Europe index is a performance index made up of the Exane Q-Rate Europe (RI) index and listed options on the EUROSTOXX 50® index.

The Exane Enhanced Q Europe index is a Proprietary Index as stated in the Base Prospectus applicable (available on the www.exane.com/exaneissues website) and shall be referred to as the “**Exane Index**”.

The Exane Index was created on 19 September 2014 with a value as defined in 3.3.6.

Any terms in uppercase shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Calculation Agent.

2. Objectives

The objective of the Exane Index is, according to a formula,

- to add option short positions listed on the EUROSTOXX 50®: at all times, the index has a selling position on listed options with an exercise price ~~between~~ **either** at the money ~~and~~ **or** 105% from the money if the selling price is sufficiently high.
- to buy a long position on the Exane Q-Rate Europe (RI) index, an Exane Proprietary Index

3. Construction and calculation rules for the Exane Index

3.1 Selection of the Exane Index components

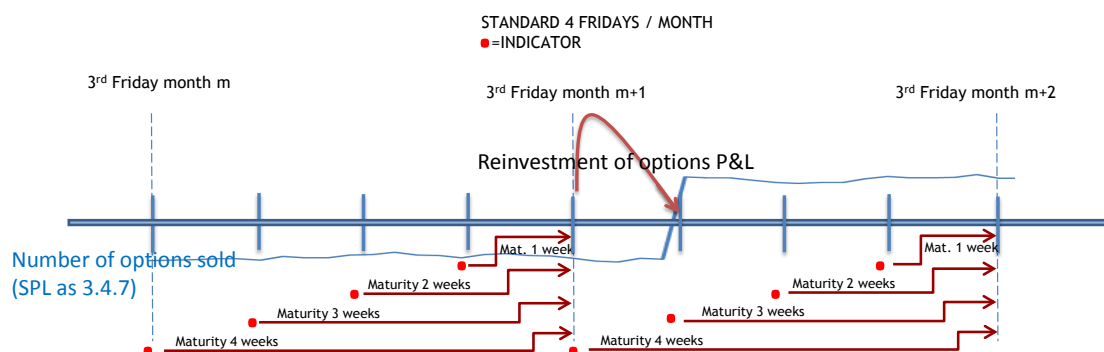
The Exane Index is made up of an Index Instrument, the Exane Q-Rate Europe (RI) index (Bloomberg code: EXDMQRAR) and options on the Eurostoxx 50® index (Bloomberg code: SX5E).

The make-up of the Exane Index on the Creation Date is available in the appendix of the Specific Methodology.

3.2 Calculation rules

The Exane Index consists in selling options on every Friday “v”, options expiring on the third Friday of the month m stated as v3(m) [see ~~§3.4~~ **§3.3**] for a notional amount depending on the value of the Index over the previous period and as long as the option premium is high enough (as detailed in the “indicator” condition defined in ~~§3.4.4~~ **§3.3.4**),

Depending on the calendar, options can have a duration of between one (1) week and five (5) weeks (see chart



below for the most standard case over 4 weeks). Options are sold at the value of the Exane Index without taking into account the time value of active options.

(Correction : SPL as 3.3.6)

Therefore, the value of the Exane Index is defined according to the formula as per 3.3.6 at each expiry (i.e. every v3(m) when options expire). Between two listed expiries, the Calculation Agent of the Index recalculates the Exane Index using the settlement prices of options sold and the closing price of the Index Instrument.

3.2.1 Reinvestment of interest and income

The Exane index is calculated without reinvesting the interest and income from the Index Components, as the Index Components are either options or an index that automatically reinvests interests and income.

3.2.2 Currency and foreign exchange risk

The Currency of the Exane Index is the euro (“EUR”).

Foreign exchange risk is not hedged. The Index Components are accounted for at the price in EUR.

3.2.3 Calculation Dates

The Exane Index is calculated and published only on Trading Days (“**Calculation Dates**”) when the Index Instrument is published. In the formulae below these days may also be called “trading days”.

3.3 Calculation of the Exane Index

3.3.1 Dates

“v(m)” is any Friday (or the previous Trading Day) of month m.

“v1(m)” is the first Friday (or the previous Trading Day) of month m.

“v1(m)#” is the trading day which precedes the first Friday (or the previous Trading Day) of month m.

“v2(m)” is the second Friday (or the previous Trading Day) of month m.

“v2(m)#” is the trading day which precedes the second Friday (or the previous Trading Day) of month m.

“v3(m)” is the third Friday (or the previous Trading Day) of month m.

“v3(m)#” is the trading day which precedes the third Friday (or the previous Trading Day) of month m.

“v4(m)” is the fourth Friday (or the previous Trading Day) of month m, if it exists

“v4(m)#” is the trading day which precedes the fourth Friday (or the previous Trading Day) of month m, if it exists

“v5(m)” is the fifth Friday (or the previous Trading Day) of month m, if it exists

“v5(m)#” is the trading day which precedes the fifth Friday (or the previous Trading Day) of month m, if it exists

vi(m) and vi(m)# will be the generic term applicable to i between 1 and 5.

3.3.2 Index Components

“SJ” is the Index Instrument

“SJ([date])” is the value at close of SJ at a date as per ~~3.4.1~~ 3.3.1

“I” is the Exane Index.

“I([date])” is the value at close of I at a date as per ~~3.4.1~~ 3.3.1

“BW” is the EUROSTOXX 50® index available on Bloomberg SX5E Index.

“BW([date])” is the value at close of BW at a date as per ~~3.4.1~~ 3.3.1.

“BW’([date])” is the value used for the settlement of options on BW posted on Bloomberg FSX5ES at 12.00 Paris time, at a date as per ~~3.4.1~~ 3.3.1.

3.3.3 Performance

The performance is a price ratio. If the asset is constant, its performance is 1.

« PerfSJ([date],[date’]) » is the performance of SJ i.e. the ratio SJ([date’])/SJ([date]), as [date’] comes after [date] and both these dates are as per ~~3.4.1~~ 3.3.1.

« PerfBW([date],[date’]) » is the performance of BW i.e. the ratio BW([date’])/BW([date]), [date’] comes after [date] and both these dates are as per ~~3.4.1~~ 3.3.1.

3.3.4 Indicators and price

“**M10([date])**” is the ten (10) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per ~~3.4.13.3.1~~.

“**M20([date])**” is the twenty (20) day sliding average of the VSTOXX index available on Bloomberg V2X Index; the average is available on the same page on [date] as per ~~3.4.13.3.1~~.

“**X([date])**” is equal to 1 if $M10([date]) > M20([date]) + 2.5\%$, and 1.05 otherwise.

“**K([date])**” is the closest option exercise price lower than or equal to $X([date]) \times BW([date])$ available on Bloomberg SX5E Index OMON.

“**P([date],[date'])**” is the value in euro of the buying option (also called call premium) on [date] at close, with a maturity date of [date'] with an exercise price K as per ~~3.4.53.3.5~~, available on Bloomberg SX5E Index OMON, obtained on QR of the corresponding option, also called settlement price, posted at approximately 18.30 Paris time. The Calculation Agent can also call on counterparties other than Exane to determine this value.

“**Ind([date], [date'])**” is a number equal to 0 or 1, where, respectively, $P([date],[date']) < 3$ euros or $P([date],[date']) \geq 3$ euros. If the Indicator equals 0, no options are sold for the calculation of ~~3.4.63.3.6~~ and the P&L of ~~3.4.53.3.5~~ is equal to 0.

“**Pbid([date],[date'])**” is equal to $P([date],[date'])$ minus

1 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is < 25 ,

1.5 euro if the VSTOXX index available on Bloomberg V2X at close on [date] is < 30 ,

2 euros if the VSTOXX index available on Bloomberg V2X at close on [date] is < 40 ,

2.5 euros otherwise.

With a minimum of 0.

3.3.5 Options

The options sold with a maturity of $v3(m+1)$ are the following in chronological order:

Sell date	Exercise date	Indicator
$v3(m)$	$K(v3(m)\#)$	$Ind(v3(m)\#, v3(m+1))$
$v4(m)$	$K(v4(m)\#)$	$Ind(v4(m)\#, v3(m+1))$
$v5(m)$	$K(v5(m)\#)$	$Ind(v5(m)\#, v3(m+1))$
$v1(m+1)$	$K(v1(m+1)\#)$	$Ind(v1(m+1)\#, v3(m+1))$
$v2(m+1)$	$K(v2(m+1)\#)$	$Ind(v2(m+1)\#, v3(m+1))$

The unwinding of the position will be as follows:

$Ind(v3(m)\#, v3(m+1)) \times [Pbid(v3(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v3(m)\#)))]$	$P3(m)$
$Ind(v4(m)\#, v3(m+1)) \times [Pbid(v4(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v4(m)\#)))]$	$P4(m)$
$Ind(v5(m)\#, v3(m+1)) \times [Pbid(v5(m), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v5(m)\#)))]$	$P5(m)$
$Ind(v1(m+1)\#, v3(m+1)) \times [Pbid(v1(m+1), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v1(m+1)\#)))]$	$P1(m+1)$
$Ind(v2(m+1)\#, v3(m+1)) \times [Pbid(v2(m+1), v3(m+1)) - \text{Max}(0; BW'(v3(m+1) - K(v2(m+1)\#)))]$	$P2(m+1)$

$Pi(m)$ corresponds to the profit and loss by option.

3.3.6 Calculation formula

The Calculation Agent of the Exane Index will amend the calculation formula described in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology as follows:

$$Index(t) = Ihf(t) \times \left(1 - \frac{F}{B}\right)^{n(t)}$$

Where:

Ihf (“hf” for excluding fees) is defined according to a formula every third Friday (calculated using option valuations as per ~~3.4.5~~ **3.3.5** on each Calculation Date) by

- Its initial value on the third Friday of September 2014 (also v3(1)) is equal to SJ(Creation Date)= SJ(v3(1))
- And by iteration according to the following formula:

$$Ihf(v3(m)) = SJ(v3(m)) \times NB(v3(m)) + SPL(v3(m))$$

- Where:
 - NB(v3(1))=NB(v4(1))=1 then
 - NB(v3(m))=NB(v4(m-1))
 - NB(v4(m))=NB(v3(m)) + SPL(v3(m))/SJ(v4(m)#)
 - NB(v2(m+1))=NB(v1(m+1))=NB(v5(m))=NB(v4(m))

NB corresponds to the number of underlyings, equal to 1 on the Creation Date, which varies according to the profit or loss of the options.
- SPL is defined as follows
 - $SPL(v3(m)) = PL(v2(m)) + PL(v1(m)) + PL(v5(m-1)) + PL(v4(m-1)) + PL(v3(m-1))$

SPL corresponds to the profit or loss of options actually sold by the Index; it is based on the Pi(m) adjusted for options sold.

Where:

 - $PL(v2(m)) = 0.4 \times NB(v2(m)) \times SJ(v2(m)\#) \times P2(m) / BW(v2(m)\#)$
 - $PL(v1(m)) = 0.4 \times NB(v1(m)) \times SJ(v1(m)\#) \times P1(m) / BW(v1(m)\#)$
 - $PL(v5(m-1)) = 0.4 \times NB(v5(m-1)) \times SJ(v5(m-1)\#) \times P5(m-1) / BW(v5(m-1)\#)$
 - $PL(v4(m-1)) = 0.4 \times NB(v4(m-1)) \times SJ(v4(m-1)\#) \times P4(m-1) / BW(v4(m-1)\#)$
 - $PL(v3(m-1)) = 0.4 \times NB(v3(m-1)) \times SJ(v3(m-1)\#) \times P3(m-1) / BW(v3(m-1)\#)$

Index Fees ("F") are equal to 0.50%,

n(t) = number of Calculation Dates between the Creation Date of the Exane Index and the Calculation Date t,

B is expressed in number of trading days and equals 252.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding Exane Indices is available on the www.exane.com website.

The latest valuations of the Exane Indices, including performance and 1-year volatility, are available on Bloomberg page <ALLX EXM>, as indicated below:

		Exane Enhanced Q Europe index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRBW

APPENDIX

The Composition and Weighting of the Index Components on 23 June 2015, the last Rebalancing Date:

Name	Code or Ticker	Weighting (in %)
Cash euro	na	0.36
Exane Q-Rate Europe (RI)	EXDMQRAR	100.29
Call SX5E 3600 E 17/07/2015 Eurex 10 #0	SX5E 07/17/15 C3600	-0.65

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the Exane Index component selection and calculation process is guaranteed by the procedure for managing conflicts of interest at Exane SA (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Europe USD”

1. Introduction

The “**Exane Q-Rate Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQRAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Europe (RI) Index (Bloomberg code: EXDMQRAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where:

QRt is the value of Exane Q-Rate Europe (RI) (in Euro) on date t (respectively QRd on date d),

IEt is the value of the Euro Index (in Euro) on date t (respectively ~~YId~~ **IEd** on date d),

FFt is the value of the Dollar Index on date t (respectively FFd on date d),

FXt is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 10 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Atos Origin	FR0000051732	6.11
Infineon	DE0006231004	6.11
Ashtead Group	GB0000536739	6.11
Eonia Capitalization Exane	EONCAPL7	-108.94
Neste Oyj	FI0009013296	6.11
Sodexo	FR0000121220	6.11
Publicis Groupe	FR0000130577	6.11
National Grid	GB00B08SNH34	6.11
Dixons Carphone PLC	GB00B4Y7R145	6.11
ITV PLC	GB0033986497	6.11
WPP Group	JE00B8KF9B49	6.11
Groupe Eurotunnel	FR0010533075	6.11
Ryanair	IE00B1GKF381	6.11
Persimmon	GB0006825383	6.11
INTERNATIONAL CONSOLIDATED AIRLINES GROUP	ES0177542018	6.11
Terna	IT0003242622	6.11
RTL Group SA	LU0061462528	6.11
Daimler	DE0007100000	6.11
fed fund exane Total return	DBDUFD	105.04

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;

- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan EURO”

1. Introduction

The “**Exane Q-Rate Japan EURO**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 15 January 2014 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the Euro.

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the Euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index, (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”).

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate Japan (RI) converted into euros based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in Euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg EURJPY=R at 17.45, Paris time.

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where:

QRt is the value of Exane Q-Rate Japan (RI) (in Yen) on date t (respectively QRd on date d),

YIt is the value of the Yen Index (in Yen) on date t (respectively YId on date d),

IEt is the value of the Euro Index on date t (respectively IEd on date d),

FXt is the exchange rate on date t, expressed as the number of Euro for 1 Yen (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJE

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
KDDI	JP3496400007	6.10
Eonia Capitalization Exane	EONCAPL7	95.65
Yamaha Motor Co.	JP3942800008	6.10
Konica Minolta Holdings	JP3300600008	6.10
Sekisui Chemical Co	JP3419400001	6.10
All Nippon Airways Co	JP3429800000	6.10
Idemitsu Kosan Co Ltd	JP3142500002	6.10
NEC	JP3733000008	6.10
Toyota Industries	JP3634600005	6.10
Obayashi Corp	JP3190000004	6.10
Kuraray Co	JP3269600007	6.10
Casio Computer	JP3209000003	6.10
MITSUBISHI ELECTRIC CORP	JP3902400005	6.10
Toyota Motor	JP3633400001	6.10
JPY Overnight (JJ) Mid (action)	DBDCJPON	-93.31
Toshiba	JP3592200004	6.10
West Japan Railway	JP3659000008	6.10
Fuji Heavy Industries	JP3814800003	6.10

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;

- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Japan USD”

1. Introduction

The “**Exane Q-Rate Japan USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Japan (RI) Index,
- a position on a U.S. Dollars-denominated capitalisation index, and
- the JPY Overnight Index for borrowing.

The Exane Q-Rate Japan USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of U.S. Dollars 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate Japan (RI) Index with dynamic hedging against a variation in the Yen against the U.S. Dollar (“**USD**”).

The Exane Q-Rate Japan (RI) Index is denominated in Yen. It is available on Bloomberg EXDMQRJR and its methodology is included in available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Yen and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Japan (RI) Index (Bloomberg code: EXDMQRJR)
- the JPY Overnight Rate Index (Bloomberg code: DBDCJPON Index) (the “**Yen Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate Japan (RI) Index converted into USD based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Yen (based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time) is systematically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate Japan (RI) Index based on the exchange rate available on Bloomberg USDJPY=R at 17.45, Paris time

On the same date, this amount is converted into Yen and synthetically borrowed from the Yen Index based on the value available on Bloomberg DBDCJPON at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(YI_t \times FX_t)}{(YI_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate Japan(RI) (in Yen) on date t (respectively QR_d on date d),

YI_t is the value of the Yen Index (in Yen) on date t (respectively YI_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Yen (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. List of Technical Committee member

Membres	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRJU

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code / Bloomberg Code	Weighting (in %)
Toyota Motor	JP3633400001	6.19
Casio Computer	JP3209000003	6.19
fed fund exane Total return	DBDUFDFD	99.12
Konica Minolta Holdings	JP3300600008	6.19
Toshiba	JP3592200004	6.19
Yamaha Motor Co.	JP3942800008	6.19
Obayashi Corp	JP3190000004	6.19
NEC	JP3733000008	6.19
Kuraray Co	JP3269600007	6.19
KDDI	JP3496400007	6.19
West Japan Railway	JP3659000008	6.19
Fuji Heavy Industries	JP3814800003	6.19
Sekisui Chemical Co	JP3419400001	6.19
mitsubishi electric corp	JP3902400005	6.19
Toyota Industries	JP3634600005	6.19
All Nippon Airways Co	JP3429800000	6.19
JPY Overnight (JJ) Mid (action)	DBDCJPON	-98.24
Idemitsu Kosan Co Ltd	JP3142500002	6.19

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;

- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate US EURO”

1. Introduction

The “**Exane Q-Rate US EURO**” is a performance Index composed of:

- an investment in the Exane Q-Rate US (RI) Index,
- a position on a euro-denominated capitalisation Index, and
- the Fed Fund Index for borrowing.

The Exane Q-Rate US EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 24 January 2014 with a value of EUR 1,000.00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate US (RI) Index with dynamic hedging against a variation in the U.S. Dollar against the euro.

The Exane Q-Rate US (RI) Index is denominated in U.S. Dollars. It is available on Bloomberg EXDMQRUR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the dollar and a lending position on the euro. This position is renewed every month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate US (RI) Index (Bloomberg code: EXDMQRUR)
- the Fed Fund Index (Bloomberg code: DBDUFD Index) (the “**Dollar Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the Exane Q-Rate US Index converted into euros based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into dollars (based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time) is systematically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Monthly Weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every month as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate US (RI) index based on the exchange rate available on Bloomberg EURUSD=R at 17.45, Paris time.

On the same date, this amount is converted into dollars and synthetically borrowed from the Dollar Index based on the value available on Bloomberg DBDUFD at close and is synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest

monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1-SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(FF_t \times FX_t)}{(FF_d \times FX_d)} \right]$$

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{IE_t}{IE_d} - \frac{(FF_t \times FX_t)}{(FF_d \times FX_d)} \right]$$

Where:

QRt is the value of Exane Q-Rate US (RI) (in US Dollar) on date t (respectively QRd on date d),

FFt is the value of the Dollar Index (in US Dollar) on date t (respectively FFd on date d),

IEt is the value of the Euro Index on date t (respectively IEd on date d),

FXt is the exchange rate on date t, expressed as the number of Euro for 1 US Dollar (respectively FXd on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate US EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQRUE

APPENDIX 1

The Composition and Weighting of the Index Components on 03 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Home Depot	US4370761029	4.03
VULCAN MATERIALS	US9291601097	4.03
Expeditors International Washington	US3021301094	4.03
Eonia Capitalization Exane	EONCAPL7	99.52
Reynolds American	US7617131062	4.03
Scripps Networks Interactive Inc	US8110651010	4.03
Comcast Corp	US20030N2009	4.03
Gilead Sciences	US3755581036	4.03
Aetna	US00817Y1082	4.03
HCA Holdings Inc	US40412C1018	4.03
Ford Motor	US3453708600	4.03
Paccar	US6937181088	4.03
AVERY DENNISON	US0536111091	4.03
Sherwin Williams	US8243481061	4.03
Verizon	US92343V1044	4.03
Kimberly-Clark	US4943681035	4.03
Target	US87612E1064	4.03
Raytheon B	US7551115071	4.03
CVS Health Corp	US1266501006	4.03
fed fund exane Total return	DBDUFD	-96.23
Tyson Foods A	US9024941034	4.03

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe USD”

1. Introduction

The “**Exane Q-Rate 15 Europe USD**” Index is a performance index composed of:

- an investment in the Exane Q-Rate Europe (RI) index,
- a position on a U.S. Dollar-denominated capitalised index, and
- the Eonia Capitalised Index for the borrowing.

The Exane Q-Rate 15 Europe USD Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is 16 March 2015, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of the Exane Q-Rate 15 Europe (RI) Index with dynamic hedging against a variation in the Euro against the U.S. Dollar (“**USD**”).

The Exane Q-Rate 15 Europe (RI) Index is denominated in Euro, is published on Bloomberg EXDMQMAR and its methodology is available on www.exane.com.

The forex hedging is implemented with a borrowing position on the Euro and a lending position on the USD. This position is renewed every month at an amount equal to the Exane Index at the time of renewal

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Europe (RI) Index (Bloomberg code: EXDMQMAR)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”)
- the Fed Fund Index (Bloomberg code: DBDUFDFD Index) (the “**Dollar Index**”)

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in USD is calculated based on the value of the Exane Q-Rate 15 Europe (RI) Index converted into USD based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Euro (based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time) is systematically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every months as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the Exane Q-Rate 15 Europe (RI) Index based on the exchange rate available on Bloomberg USDEUR=R at 17.45, Paris time.

On the same date, this amount is converted into Euros and synthetically borrowed from the Euro Index based on the value available on Bloomberg EONCAPL7 at close and is synthetically reinvested in USD in the Dollar Index based on the value available on Bloomberg DBDUFDFD at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest monthly weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(\frac{1 - SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

$$Index(t) = Index(d) \times \left(1 - \frac{SP}{252} \right)^{(t-d)} \left[\frac{(QR_t \times FX_t)}{(QR_d \times FX_d)} + \frac{FF_t}{FF_d} - \frac{(IE_t \times FX_t)}{(IE_d \times FX_d)} \right]$$

Where:

QR_t is the value of Exane Q-Rate 15 Europe (RI) (in Euro) on date t (respectively QR_d on date d),

IE_t is the value of the Euro Index (in Euro) on date t (respectively IE_d on date d),

FF_t is the value of the Dollar Index on date t (respectively FF_d on date d),

FX_t is the exchange rate on date t, expressed as the number of US Dollar for 1 Euro (respectively FX_d on date d),

SP is the cost linked to borrowing in one currency and investing in another. It is equal to 0.90% between the Creation Date of the index and June 19, 2015 (inclusive) and 0.50% thereafter.

3.3.2 Base Currency

The Base Currency of the Exane Index is the U.S. Dollar.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate 15 Europe USD Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQMAU

APPENDIX 1

The Composition and Weighting of the Exane Index on 19 June 2015, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Sodexo	FR0000121220	5.940
Lagardere	FR0000130213	5.940
Taylor Wimpey	GB0008782301	5.940
National Grid	GB00B08SNH34	5.940
Barratt Developments	GB0000811801	5.940
Ryanair	IE00B1GKF381	5.940
Daimler	DE0007100000	5.940
Groupe Eurotunnel	FR0010533075	5.940
Persimmon	GB0006825383	5.940
Infineon	DE0006231004	5.940
Ashtead Group	GB0000536739	5.940
Fraport	DE0005773303	5.940
Babcock International	GB0009697037	5.940
ITV PLC	GB0033986497	5.940
Terna	IT0003242622	5.940
fed fund exane Total return	DBDUFD	99.324
Eonia Capitalization Exane	EONCAPL7	-100.296
ICA Gruppen AB	SE0000652216	5.940
RTL Group SA	LU0061462528	5.940

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Europe Market Neutral”

1. Introduction

The “**Exane Q-Rate 15 Europe Market Neutral**” Index is a performance index composed of:

- a long position on the Exane Q-Rate 15 Europe (RB) Index,
- a short position on a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index.

The Exane Q-Rate 15 Europe Market Neutral Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is October 12th 2015, with an initial value of EUR 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to isolate the outperformance of the Exane Q-Rate 15 Europe (RB) Index versus a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index, while striving to eliminate directional bias. This is done by selling the composite adjusted for a coefficient, the “**Beta Q-Rate 15 Europe**”, published by Exane Research (the “Research Team”) on a Rebalancing Date. The composite itself contains the STOXX Europe 600 Banks (Gross Return) for an amount linked to the percentage, published by the Research Team on the Rebalancing Date, representing the weighting of financial stocks within the European market, namely the “**Europe Financials weight estimate**”.

The Exane Q-Rate 15 Europe (RB) Index, denominated in Euro, is published on Bloomberg EXDMQMEB and its methodology is available on www.exane.com.

The composition and weighting of the Exane Index on the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Europe (RB) Index (Bloomberg code: EXDMQMEB)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)
- the STOXX 600 (Gross Return) Index (Bloomberg code: SXXGR)
- the STOXX Europe 600 Banks (Gross Return) Index (Bloomberg code: SX7GR)

3.2 Calculation Rules

3.2.1. Weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

In the Index, as of the Creation Date and following the publication of the Beta Q-Rate 15 Europe by the Research Team (hereafter any ‘Rebalancing Date m’):

- a) the value of the Exane Index is invested in the Exane Q-Rate 15 Europe (RB) Index,
- b) the STOXX 600 (Gross Return) Index adjusted for Beta Q-Rate 15 Europe is sold for an amount equivalent to the value of the Exane Index,
- c) The STOXX Europe 600 Banks (Gross Return) Index adjusted for Beta Q-Rate 15 Europe and multiplied by a percentage (FinPerc defined hereafter) of the Exane Index is bought,
- d) The cash generated by these two operations b and c above is invested in the Eonia Capitalised Index.

Therefore, as per the above description, the Index, on any Rebalancing Date m namely “Index(m)” will be computed as follows :

$$\text{Index}(m) = \text{Index}(m-1) \times \left[\frac{\text{QR}(m)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(m)}{\text{Short}(m-1)} - \frac{\text{Eonia}(m)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{n(m)}$$

Where:

$$\frac{\text{Short}(m)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(m)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(m)}{\text{STB}(m-1)} \right]$$

QR(m) is the value of the Exane Q-Rate 15 Europe (RB) Index on Rebalancing Date m (respectively QR(m-1) on Rebalancing Date m-1),

Eonia(m) is the value of the Eonia Capitalised Index on Rebalancing Date m (respectively Eonia(m-1) on Rebalancing Date m-1),

STX(m) is the value of the STOXX 600 (Gross Return) Index on Rebalancing Date m (respectively STX(m-1) on Rebalancing Date m-1),

STB(m) is the value of the STOXX Europe 600 Banks (Gross Return) Index on Rebalancing Date m (respectively STB(m-1) on Rebalancing Date m-1),

Expoβ(m) is the Beta Q-Rate 15 Europe established by Exane Research (the “Research Team”) following a quantitative process,

Index Fees “F” are equal to 0.20%,

n(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and Rebalancing Date m included,

FinPerc(m-1) is the percentage published by the Research Team on the Rebalancing Date(m-1), representing the weighting of financial stocks within the European market.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

On any date d between two Rebalancing Dates m-1 and m the Index, will be computed as follows

$$\text{Index}(d) = \text{Index}(m-1) \times \left[\frac{\text{QR}(d)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(d)}{\text{Short}(m-1)} - \frac{\text{Eonia}(d)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{d(m)}$$

Where:

$$\frac{\text{Short}(d)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(d)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(d)}{\text{STB}(m-1)} \right]$$

d(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and date d included.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQMMN

APPENDIX 1

The Composition and Weighting of the Exane Index on December 16th 2015, the Last Rebalancing Date:

EXANE Q-RATE 15 EUROPE MARKET NEUTRAL	ISIN/ Bloomberg Code	Weighting (%)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	82.00
STOXX 600 EUR (Gross)	SXXGR	-106.00
STOXX Bank Index (Gross)	SX7GR	24.00
Exane Q-Rate 15 Europe (RB)	EXDMQMEB	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

Disclaimer: STOXX

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SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Dividend Europe Market Neutral”

1. Introduction

The “**Exane Q-Rate Dividend Europe Market Neutral**” Index is a performance index composed of:

- a long position on the Exane Q-Rate Dividend Europe (RB) Index,
- a short position on a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index.

The Exane Q-Rate Dividend Europe Market Neutral Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is October 12th 2015, with an initial value of EUR 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to isolate the outperformance of the Exane Q-Rate Dividend Europe (RB) Index versus a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index, while striving to eliminate directional bias. This is done by selling the composite adjusted for a coefficient, the “**Beta Q-Rate Dividend Europe**”, published by Exane Research (the “Research Team”) on a Rebalancing Date. The composite itself contains the STOXX Europe 600 Banks (Gross Return) for an amount linked to the percentage, published by the Research Team on the Rebalancing Date, representing the weighting of financial stocks within the European market, namely the “**Europe Financials weight estimate**”.

The Exane Q-Rate Dividend Europe (RB) Index, denominated in Euro, is published on Bloomberg EXDMDIVU and its methodology is available on www.exane.com.

The composition and weighting of the Exane Index on the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Dividend Europe (RB) Index (Bloomberg code: EXDMDIVU)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)
- the STOXX 600 (Gross Return) Index (Bloomberg code: SXXGR)
- the STOXX Europe 600 Banks (Gross Return) Index (Bloomberg code: SX7GR)

3.2 Calculation Rules

3.2.1. Weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

In the Index, as of the Creation Date and following the publication of the Beta Q-Rate Dividend Europe by the Research Team (hereafter any ‘Rebalancing Date m’):

- a) the value of the Exane Index is invested in the Exane Q-Rate Dividend Europe (RB) Index,
- b) the STOXX 600 (Gross Return) Index adjusted for Beta Q-Rate Dividend Europe is sold for an amount equivalent to the value of the Exane Index,
- c) The STOXX Europe 600 Banks (Gross Return) Index adjusted for Beta Q-Rate Dividend Europe and multiplied by a percentage (FinPerc defined hereafter) of the Exane Index is bought,
- d) The cash generated by these two operations b and c above is invested in the Eonia Capitalised Index.

Therefore, as per the above description, the Index, on any Rebalancing Date m namely “Index(m)” will be computed as follows :

$$\text{Index}(m) = \text{Index}(m-1) \times \left[\frac{\text{QR}(m)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(m)}{\text{Short}(m-1)} - \frac{\text{Eonia}(m)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{n(m)}$$

Where:

$$\frac{\text{Short}(m)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(m)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(m)}{\text{STB}(m-1)} \right]$$

QR(m) is the value of the Exane Q-Rate Dividend Europe (RB) Index on Rebalancing Date m (respectively QR(m-1) on Rebalancing Date m-1),

Eonia(m) is the value of the Eonia Capitalised Index on Rebalancing Date m (respectively Eonia(m-1) on Rebalancing Date m-1),

STX(m) is the value of the STOXX 600 (Gross Return) Index on Rebalancing Date m (respectively STX(m-1) on Rebalancing Date m-1),

STB(m) is the value of the STOXX Europe 600 Banks (Gross Return) Index on Rebalancing Date m (respectively STB(m-1) on Rebalancing Date m-1),

Expoβ(m) is the Beta Q-Rate Dividend Europe established by Exane Research (the “Research Team”) following a quantitative process,

Index Fees “F” are equal to 0.20%,

n(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and Rebalancing Date m included,

FinPerc(m-1) is the percentage published by the Research Team on the Rebalancing Date(m-1), representing the weighting of financial stocks within the European market.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

On any date d between two Rebalancing Dates m-1 and m the Index, will be computed as follows

$$\text{Index}(d) = \text{Index}(m-1) \times \left[\frac{\text{QR}(d)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(d)}{\text{Short}(m-1)} - \frac{\text{Eonia}(d)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{d(m)}$$

Where:

$$\frac{\text{Short}(d)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(d)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(d)}{\text{STB}(m-1)} \right]$$

d(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and date d included.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQDMN

APPENDIX 1

The Composition and Weighting of the Exane Index on December 23rd 2015, the Last Rebalancing Date:

EXANE Q-RATE Dividend EUROPE MARKET NEUTRAL	ISIN/ Bloomberg Code	Weighting (%)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	84.00
STOXX 600 EUR (Gross)	SXXGR	-109.00
STOXX Bank Index (Gross)	SX7GR	25.00
Exane Q-Rate Dividend Europe (RB)	EXDMDIVU	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

Disclaimer: STOXX

The EUROSTOXX 50 index (the STOXX Index) is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors (“Licensors”), which is used under license. The Exane Index based on the STOXX Index is in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Europe Market Neutral”

1. Introduction

The “**Exane Q-Rate Europe Market Neutral**” Index is a performance index composed of:

- a long position on the Exane Q-Rate Europe (RB) Index,
- a short position on a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index.

The Exane Q-Rate Europe Market Neutral Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is October 12th 2015, with an initial value of EUR 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to isolate the outperformance of the Exane Q-Rate Europe (RB) Index versus a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index, while striving to eliminate directional bias. This is done by selling the composite adjusted for a coefficient, the “**Beta Q-Rate Europe**”, published by Exane Research (the “Research Team”) on a Rebalancing Date. The composite itself contains the STOXX Europe 600 Banks (Gross Return) for an amount linked to the percentage, published by the Research Team on the Rebalancing Date, representing the weighting of financial stocks within the European market, namely the “**Europe Financials weight estimate**”.

The Exane Q-Rate Europe (RB) Index, denominated in Euro, is published on Bloomberg EXDMQREB and its methodology is available on www.exane.com.

The composition and weighting of the Exane Index on the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate Europe (RB) Index (Bloomberg code: EXDMQREB)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)
- the STOXX 600 (Gross Return) Index (Bloomberg code: SXXGR)
- the STOXX Europe 600 Banks (Gross Return) Index (Bloomberg code: SX7GR)

3.2 Calculation Rules

3.2.1. Weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

In the Index, as of the Creation Date and following the publication of the Beta Q-Rate Europe by the Research Team (hereafter any ‘Rebalancing Date m’):

- a) the value of the Exane Index is invested in the Exane Q-Rate Europe (RB) Index,
- b) the STOXX 600 (Gross Return) Index adjusted for Beta Q-Rate Europe is sold for an amount equivalent to the value of the Exane Index,
- c) The STOXX Europe 600 Banks (Gross Return) Index adjusted for Beta Q-Rate Europe and multiplied by a percentage (FinPerc defined hereafter) of the Exane Index is bought,
- d) The cash generated by these two operations b and c above is invested in the Eonia Capitalised Index.

Therefore, as per the above description, the Index, on any Rebalancing Date m namely “Index(m)” will be computed as follows :

$$\text{Index}(m) = \text{Index}(m - 1) \times \left[\frac{\text{QR}(m)}{\text{QR}(m - 1)} - \text{Expo}\beta(m - 1) \times \left(\frac{\text{Short}(m)}{\text{Short}(m - 1)} - \frac{\text{Eonia}(m)}{\text{Eonia}(m - 1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{n(m)}$$

Where:

$$\frac{\text{Short}(m)}{\text{Short}(m - 1)} = \frac{1}{(1 - \text{FinPerc}(m - 1))} \times \left[\frac{\text{STX}(m)}{\text{STX}(m - 1)} - \text{FinPerc}(m - 1) \times \frac{\text{STB}(m)}{\text{STB}(m - 1)} \right]$$

QR(m) is the value of the Exane Q-Rate Europe (RB) Index on Rebalancing Date m (respectively QR(m-1) on Rebalancing Date m-1),

Eonia(m) is the value of the Eonia Capitalised Index on Rebalancing Date m (respectively Eonia(m-1) on Rebalancing Date m-1),

STX(m) is the value of the STOXX 600 (Gross Return) Index on Rebalancing Date m (respectively STX(m-1) on Rebalancing Date m-1),

STB(m) is the value of the STOXX Europe 600 Banks (Gross Return) Index on Rebalancing Date m (respectively STB(m-1) on Rebalancing Date m-1),

Expoβ(m) is the Beta Q-Rate Europe established by Exane Research (the “Research Team”) following a quantitative process,

Index Fees “F” are equal to 0.20%,

n(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and Rebalancing Date m included,

FinPerc(m-1) is the percentage published by the Research Team on the Rebalancing Date(m-1), representing the weighting of financial stocks within the European market.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

On any date d between two Rebalancing Dates m-1 and m the Index, will be computed as follows

$$\text{Index}(d) = \text{Index}(m - 1) \times \left[\frac{\text{QR}(d)}{\text{QR}(m - 1)} - \text{Expo}\beta(m - 1) \times \left(\frac{\text{Short}(d)}{\text{Short}(m - 1)} - \frac{\text{Eonia}(d)}{\text{Eonia}(m - 1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{d(m)}$$

Where:

$$\frac{\text{Short}(d)}{\text{Short}(m - 1)} = \frac{1}{(1 - \text{FinPerc}(m - 1))} \times \left[\frac{\text{STX}(d)}{\text{STX}(m - 1)} - \text{FinPerc}(m - 1) \times \frac{\text{STB}(d)}{\text{STB}(m - 1)} \right]$$

d(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and date d included.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQEMN

APPENDIX 1

The Composition and Weighting of the Exane Index on January 5th, 2016, the Last Rebalancing Date:

EXANE Q-RATE EUROPE MARKET NEUTRAL	ISIN/ Bloomberg Code	Weighting (%)
Eonia Capitalization Exane Index 7 Day	EONCAPL7	80.00
STOXX 600 EUR (Gross)	SXXGR	-
STOXX Bank Index (Gross)	SX7GR	23.3591731
Exane Q-Rate Europe (RB)	EXDMQREB	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

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SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate US Market Neutral”

1. Introduction

The “**Exane Q-Rate US Market Neutral**” Index is a performance index composed of:

- a long position on the Exane Q-Rate US (RB) Index,
- a short position on a composite that includes the S&P 500 Total Return Index, the Financial Select Sector SPDR Fund and the Fed Fund Total Return Index.

The Exane Q-Rate US Market Neutral Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is October 12th 2015, with an initial value of USD 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to isolate the outperformance of the Exane Q-Rate US (RB) Index versus a composite that includes the S&P 500 total return Index, the Financial Select Sector SPDR Fund and the Fed Fund Total Return Index, while striving to eliminate directional bias. This is done by selling the composite adjusted for a coefficient, the “**Beta Q-Rate US**”, published by Exane Research (the “Research Team”) on a Rebalancing Date. The composite itself contains the Financial Select Sector SPDR Fund for an amount linked to the percentage, published by the Research Team on the Rebalancing Date, representing the weighting of financial stocks within the American market, namely the “**USA Financials weight estimate**”.

The Exane Q-Rate US (RB) Index, denominated in US Dollar, is published on Bloomberg EXDMQRUB and its methodology is available on www.exane.com.

The composition and weighting of the Exane Index on the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate US (RB) Index (Bloomberg code: EXDMQRUB)
- the Fed Fund Total Return Index (Bloomberg code: DBDUFD Index)
- the S&P 500 Total Return Index (Bloomberg code: SPXT)
- the Financial Select Sector SPDR Fund (Bloomberg code: XLF)

3.2 Calculation Rules

3.2.1. Weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

In the Index, as of the Creation Date and following the publication of the Beta Q-Rate US by the Research Team (hereafter any ‘Rebalancing Date m’):

- a) the value of the Exane Index is invested in the Exane Q-Rate US (RB) Index,
- b) the S&P 500 Total Return Index adjusted for Beta Q-Rate US is sold for an amount equivalent to the value of the Exane Index,
- c) The Financial Select Sector SPDR Fund adjusted for Beta Q-Rate US and multiplied by a percentage (FinPercUS defined hereafter) of the Exane Index is bought,
- d) The cash generated by these two operations b and c above is invested in the Fed Fund Total Return Index.

Therefore, as per the above description, the Index, on any Rebalancing Date m namely “Index(m)” will be computed as follows :

$$\text{Index}(m) = \text{Index}(m-1) \times \left[\frac{\text{QR}(m)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(m)}{\text{Short}(m-1)} - \frac{\text{FedFund}(m)}{\text{FedFund}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{n(m)}$$

Where:

$$\frac{\text{Short}(m)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPercUS}(m-1))} \times \left[\frac{\text{SP}(m)}{\text{SP}(m-1)} - \text{FinPercUS}(m-1) \times \frac{\text{XL}(m)}{\text{XL}(m-1)} \right]$$

QR(m) is the value of the Exane Q-Rate US (RB) Index on Rebalancing Date m (respectively QR(m-1) on Rebalancing Date m-1),

FedFund(m) is the value of the Fed Fund Total Return Index on Rebalancing Date m (respectively FedFund(m-1) on Rebalancing Date m-1),

SP(m) is the value of the S&P 500 Total Return Index on Rebalancing Date m (respectively SP(m-1) on Rebalancing Date m-1),

XL(m) is the value of the Financial Select Sector SPDR Fund on Rebalancing Date m (respectively XL(m-1) on Rebalancing Date m-1),

Expoβ(m) is the Beta Q-Rate US established by Exane Research (the “Research Team”) following a quantitative process,

Index Fees “F” are equal to 0.30%,

n(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and Rebalancing Date m included,

FinPercUS(m-1) is the percentage published by the Research Team on the Rebalancing Date(m-1), representing the weighting of financial stocks within the American market.

3.2.2 Base Currency

The Base Currency of the Exane Index is the USD.

3.3 Calculation Formulae

On any date d between two Rebalancing Dates m-1 and m the Index, will be computed as follows

$$\text{Index}(d) = \text{Index}(m-1) \times \left[\frac{\text{QR}(d)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(d)}{\text{Short}(m-1)} - \frac{\text{FedFund}(d)}{\text{FedFund}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{d(m)}$$

Where:

$$\frac{\text{Short}(d)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPercUS}(m-1))} \times \left[\frac{\text{SP}(d)}{\text{SP}(m-1)} - \text{FinPercUS}(m-1) \times \frac{\text{XL}(d)}{\text{XL}(m-1)} \right]$$

d(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and date d included.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQUMN

APPENDIX 1

The Composition and Weighting of the Exane Index on January 5th, 2016, the Last Rebalancing Date:

EXANE Q-RATE US MARKET NEUTRAL	ISIN/ Bloomberg Code	Weighting (%)
Fed Fund Total Return	DBDUFD	83.00
Financial Select Sector SPDR Fund (Compo)	XLFX	16.5203837
S&P 500 Total Return	SPXT	-99.5203837
Exane Q-Rate US (RB)	EXDMQRUB	100.00

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation Convertible Bonds (RI)”

1. Introduction

The “Exane Managed Allocation Convertible Bonds (RI)” Index is a performance index based on the “Convertible Bonds Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of convertible bonds, each with an allocated number.

The “Exane Managed Allocation Convertible Bonds (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”.

The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of convertible bonds. For this selection, the Research Team must have

a) a positive opinion on technical parameters:

- Good valuation versus the listed options and/or the cash base,
- Attractive short/long term convexity,
- High yield to maturity or significant 1 year carry (i.e. coupon yield plus global theta),
- Yield advantage close to, or higher than, the positive annualized net premium (i.e. discounted or free Put on the convertible bond),
- High return in the event of Mergers and Acquisitions (the existence of clauses in the event of a change of control known as ratchet clauses, with an automatic increase in the conversion ratio, or poison put clauses allowing holders to demand early redemption at par if the ratchet is not profitable enough in case of a tender offer);

b) and/or a positive opinion on fundamentals of the underlying and/or on the issuer’s credit quality (based on the Exane BNPP / Research Team and/or the consensus).

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.

- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_1^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMACB

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Adidas 0.25% 12/19 (Put 17)	DE000A1ML0D9	16.2475235
Aperam 0.625% USD 14/21 (put 19)	XS1084287322	20.209975
Aurubis / Salzgitter 2% 10/17	DE000A1AYDS2	63.5888536
British Land 1.50% 12/17	XS0827594762	24.7717425
Buzzi Unicem 1.375% 13/19	XS0953046991	32.4856874
Cap Gemini 0% 13/19	FR0011600352	32779.7203
Gulf Keystone 6.25% USD 12/17	XS0841237497	8.92212436
Derwent London 1.125% 13/19	XS0954745351	18.244442
Deutsche Post 0.6% 12/19	DE000A1R0VM5	15.9155647
Elior / BIM 2.5% 15/20	FR0013044286	81433.2248
Folli Follie 1.75% 14/19	XS1082775054	35.7993495
Grand City Properties 1.5% 14/19	XS1036325527	9.84927663
Great Portland 1% 13/18	XS0969485068	17.816107
Immofinanz 4.25% 11/18 (Put 16)	XS0592528870	432900.433
Leg Immobilien 0.5% 14/21 (Put 19)	DE000LEG1CB5	27.9114886
Marine Harvest 0.875% EUR 14/19	NO0010710395	31.5498485
Maurel et Prom 1.625% 14/19	FR0011973577	361990.95
Neopost 3.375% 15/22	FR0012799229	86393.0886
NH Hoteles 4% 13/18	XS0989390249	24.9261346
OCI 3.875% 13/18	XS0974154550	26.2255428
OHL / GVM 5.75% 13/18	XS0878451920	58.4853557
ORPEA 1.75% 13/20	FR0011534874	39484.0748
Playtech 0.5% EUR 14/19	XS1139088402	28.9649933
Premier Oil 2.5% USD 12/18	XS0849021877	4867.39844
Rocket Internet 3% 15/22	DE000A161KH4	30.4846395
SACYR 4% 14/19	XS1063399700	24.3213806
Steinhoff 4% 14/21 (Put 19)	XS1023684282	37.7586467
Subsea / Siem 1% USD 12/19 (Put 16)	NO0010657968	29.07368
Telecom Italia 1.125% 15/22	XS1209185161	36.4897735
Vedanta 5.5% USD 09/16	XS0434722087	49.428956

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation Financial Bonds (RI)”

1. Introduction

The “Exane Managed Allocation Financial Bonds (RI)” Index is a performance index based on the “Financial Bonds Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of bonds, each with an allocated number.

The “Exane Managed Allocation Financial Bonds (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of bonds issued by banks or specialized lending companies. For this selection, the Research Team will consider bonds :

- a) denominated in EUR or USD, although the majority will be denominated in EUR,
- b) with a performance target of euribor 3m + 300 pb.
- c) Rated positive (+) or stable (=) by the Research Team

These recommendations factor in fundamental risk analysis, value relative to the various peer groups, and the technical qualities of each bond (checking the prospectus, the various clauses pertaining to cancelling the coupon and possible clauses for absorbing losses).

If subordination is likely to lead to a change in the nature of the financial instrument belonging to the list (for example, through the conversion of a contingent convertible bond), the aforementioned high yield bond will be removed from the list.

The issuers are banks regulated by the CRD4/Basel 3 rules (with underlyings in the form of Tier2, Additional Tier 1, or Tier 1); or insurance companies subject to the Solvency 1 and 2 regulations (with Tier 2 and Tier 1 underlyings). The bonds in the List can be contingent (contingent write-down / contingent convertible, also known as CoCos) or not.

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.

- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_1^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMAFB

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
ABN AMRO Bank NV 5.75% 15/49	XS1278718686	49.47082438
ASR Nederland NV 5% 14/49	XS1115800655	4980.216042
Allied Irish Banks 7.375% 15/49 (EMTN)	XS1328798779	4874.390705
Bank of Ireland 7.375% 15/49	XS1248345461	4653.758116
Credit Agricole 6.625% \$ 14/49 (REGS)	USF22797YK86	5502.025433
Groupama 6.375 perp	FR0011896513	49.94655854
HSBC Holdings 6% 15/49	XS1298431104	4927.310784
ING Groep NV 6% \$ 15/49	US456837AE31	5425.029467
Intesa 4.75 perp	XS1156024116	47.92211042
KBC Groep NV 5.625 Perp CoCo	BE0002463389	4938.196983
La Mondiale Oblig Perp 5.05 perp	XS1155697243	4706.753756
Nykredit Realkredit A/S 6.25% 15/49	XS1195632911	4829.112486
BAWAG 8.125% - 30/10/2023	XS0987169637	40.01395931
Banco Popular 11.5 Perp CoCo	XS0979444402	44.83421195
Uniq 6.875 07/2043	XS0808635436	44.1082149
BBVA Perp 7% - 19/02/2019 CoCo	XS1033661866	25.37080406
Skandinaviska EBAB 5,75% 14/49	XS1136391643	5522.109488
UBS Group 7% \$ 15/49	CH0271428333	4926.648655
UniCredit 6.75% 14/49	XS1107890847	5254.572476
Banco Santander 6.25 Perp CoCo	XS1043535092	52.24378143

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation High Yield Bonds (RI)”

1. Introduction

The “Exane Managed Allocation High Yield Bonds (RI)” Index is a performance index based on the “High Yield Bonds Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of bonds, each with an allocated number.

The “Exane Managed High Yield Bond (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of bonds

The list comprises a selection of high yield bonds expected to outperform the high yield market. The vast majority of these bonds are denominated in euros. The list comprises of high yield bonds representing the key credit investment themes of the Research Team, notably straight high yield bonds.

High-yield bonds are selected on the basis of a relative value analysis by the credit analysts of the Research Team for over 10 years, with a bottom-up approach.

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.
- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_1^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMAHY

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Auris Luxembourg II 8% 14/23	XS1153374084	3834.185791
Casino Guichard Perrachon 4.87% 13/49	FR0011606169	45.1826394
Europcar Groupe 5.75% 15/22	XS1241053666	4168.057756
Hellenic Tele Or 7.875% 13/18	XS0885718782	3940.035237
Holdikks SAS 6.75% 14/21	XS1084836441	4293.332958
IMS Health 4.125% 15/23	XS1207382679	4370.36076
INEOS Group Holdings 5.75% 14/19	XS0982710740	4233.614926
Interoute Communications Holdi 7.375% 15/20	XS1298004612	4126.948306
Labco Unsecured 8.25% 2023	XS1268471494	4135.02414
Lock AS 7% 14/21	XS1094612378	4039.721047
Matterhorn Telecom Holding 4.875% 15/23	XS1219475792	5009.949361
Monitchem HoldCo 2 6.875% 14/22	XS1074935492	4774.525424
TEF 5.875 Perp	XS1050461034	40.8122246
Wind 7 04/2021	XS1055940206	4304.304788
Paprec Holding 5.25% 15/22	XS1207101418	4304.046744
Picard Bondco 7.75% 15/20	XS1117298833	3929.184557
Selecta Group BV 6.5% 14/20	XS1078234330	4493.877092
THOM Europe 7.375% 14/19	XS1087760648	4018.400915
Trinseo Materials Operating SC 6.375% 15/22	XS1220246521	4300.853583
Verisure Holding AB 6% 15/22	XS1310477895	4124.746083
Volvo Treasury AB 4.85% 14/78	XS1150695192	4319.817127
Wienerberger tv 07/49	DE000A0G4X39	4035.00281
Ziggo Bond Finance BV 4.625% 15/25	XS1170079443	4547.217814

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation High Yield Convertible Bonds (RI)”

1. Introduction

The “Exane Managed Allocation Convertible High Yield Bonds (RI)” Index is a performance index based on the “High Yield Convertible Bonds Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of convertible bonds, each with an allocated number.

The “Exane Managed Allocation High Yield Convertible Bonds (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of convertible bonds. For this selection, the Research Team must have

a) a positive opinion on at least one or many of the following technical parameters:

- Positive yield to maturity (or yield to the Put date) and or significant 1 year carry (ie coupon yield plus global theta)
- Attractive valuation vs the cash base or the CDS when they exist
- Positive contractual features: underlying pledge for some exchangeables, Negative pledge, senior debt, etc.
- limited delta exposure (<40%)

b) and / or a positive opinion on the issuer’s credit quality based on the Exane BNPP / Exane Derivatives Research and /or the consensus

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.
- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by

more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

⇒ Index Fees “F” are equal to 0.20%

⇒ B is equal to 252.

⇒ $n(t)$ is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_{i=1}^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMACH

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Vedanta 5.5% USD 09/16	XS0434722087	102.976992
Maurel et Prom 1.625% 14/19	FR0011973577	754147.813
Premier Oil 2.5% USD 12/18	XS0849021877	11589.0439
Subsea / Siem 1% USD 12/19 (Put 16)	NO0010657968	48.4561334
SACYR 4% 14/19	XS1063399700	101.339086
Neopost 3.375% 15/22	FR0012799229	179985.601
Casino / Rallye 1% 13/20 (Put 18)	FR0011567908	87950.7476
Sainsbury 2.875% 15/21	XS1268412993	64.1632039
Salzgitter 0% 15/22 (Put 20)	DE000A1Z2G97	99.3719692
Rocket Internet 3% 15/22	DE000A161KH4	84.6795542
GALP / Amorim 3.375% 13/18 (Put 16)	XS0937410214	83.9963537
Pierre & Vacances 3.5% 14/19	FR0011732759	226326.272

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation Hybrid Corporate Bonds (RI)”

1. Introduction

The “Exane Managed Allocation Hybrid Corporate Bonds (RI)” Index is a performance index based on the “Hybrid Corporate Bonds Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of bonds, each with an allocated number.

The “Exane Managed Allocation Hybrid Corporate Bonds (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of bonds that comprises a selection of hybrid corporate bonds expected to outperform the investment grade corporate debt market and representing the key credit recommendation within that sub-segment of the corporate debt market.

Hybrid corporate bonds are selected on the basis of a relative value analysis by the credit analysts of the Research Team for over 10 years, with a bottom-up approach. In addition to classical fundamental credit analysis, analysts typically focus on the spread difference calculated between the hybrid subordinated note priced at its first call date and the corresponding senior debt of the issuer, when available.

There will be not financial bonds and the vast majority of them are denominated in euros.

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- c) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.
- d) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by

more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

⇒ Index Fees “F” are equal to 0.20%

⇒ B is equal to 252.

⇒ $n(t)$ is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_{i=1}^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMAHC

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Hutchison 3.75% 05/29/49	XS0930010524	7461.66755
Wienerberger 6,5% 12/29/49	DE000A0G4X39	7138.85113
Arkema 4.75% Perp 10/29/49	FR0012278539	76.4088661
Casino Guichard Perrachon 4.87% 13/49	FR0011606169	79.9385159
Enel 6.5 perp	XS0954675129	6698.81589
TDC A/S 3.5% 02/26/15	XS1195581159	7899.86974
Repsol 3.875% 15/49	XS1207054666	8509.15811
DONG Energy A/S 6.25 perp	XS0943370543	6895.58152
America Movil 6.375 perp	XS0969341147	6892.05586
Solvay 5.425% 13/49	XS0992293901	7697.91647
Bayer 3.75% 14/74	DE000A11QR73	7554.93629
TEF 5.875 Perp	XS1050461034	72.2062435
Orange 5% 14/49 (EMTN)	XS1115498260	7634.04663

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation Low Vol Financial Bonds (RI)”

1. Introduction

The “Exane Managed Allocation Low Vol Financial Bonds (RI)” Index is a performance index based on the “Low Vol Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of bonds, each with an allocated number.

The “Exane Managed Allocation Low Vol Financial Bonds (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of bonds issued by banks or specialized lending companies. For this selection, the Research Team will consider bonds :

- a) denominated in EUR or USD, although the majority will be denominated in EUR,
- b) with a performance target of euribor 3m + 200 pb.
- c) Rated positive (+) or stable (=) by the Research Team

These recommendations factor in fundamental risk analysis, value relative to the various peer groups, and the technical qualities of each bond (checking the prospectus, the various clauses pertaining to cancelling the coupon and possible clauses for absorbing losses).

If subordination is likely to lead to a change in the nature of the financial instrument belonging to the list (for example, through the conversion of a contingent convertible bond), the aforementioned high yield bond will be removed from the list.

The issuers are banks regulated by the CRD4/Basel 3 rules (with underlyings in the form of Tier2). The bonds in the list can be contingent (contingent write-down / contingent convertible, also known as CoCos) or not.

This list is completed by associating to each bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.

- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ $n(t)$ is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1-1\%*R)$.

Where $R = \sum_1^N \text{Abs}(w_i - w_{it})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

w_{it} its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMALV

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Raiffeisen Zentralbank Oesterr 6.625% 11/21	XS0619437147	61.9288428
BAWAG 8.125% - 30/10/2023	XS0987169637	53.3519457
Erste Group Bank 7.125% 12/22	XS0840062979	5512.86289
Intesa Sanpaolo 5.15% 10/20	XS0526326334	117.926085
BPCE 4.625% 13/23	FR0011538222	56.705982
BPIM 6 11/05/20	XS0555834984	6530.71431
Commerzbank 7.75% 11/21	DE000CB83CF0	51.7590658
ABN Amro Bank NV 7.125% 12/22	XS0802995166	5160.79132
RBS 3.625 03/25/24 Corp	XS1049037200	6318.24095
Allied Irish Banks 4.125% 15/25	XS1325125158	6607.06179
Standard Chartered PLC 4% 13/25	XS0983704718	6604.90467
BBVA Subordinated Capital SAU 3.5% 14/24	XS1055241373	62.7584562
Caixabank 5% 11/14/23	XS0989061345	63.3676216
Unicredit Spa. 5.75 10/28/25	XS0986063864	6245.0742
Bank of Ireland 4.25% 14/24	XS1075963485	6283.51981

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Managed Allocation M&A Credit (RI)”

1. Introduction

The “Exane Managed Allocation M&A Credit (RI)” Index is a performance index based on the “M&A Credit Allocation” (the “Allocation”) established by Exane Research (the “Research Team”). The Allocation is a list of bonds, each with an allocated number.

The “Exane Managed Allocation M&A Credit (RI)” Index is calculated with net income and profits managed as described in §3.3.2 below.

The index is a Proprietary Index as stated in the Base Prospectus and shall hereafter be referred to as the “Exane Index”. The Exane Index was created on 21 December 2015.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to enable investment in the Allocation according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the Allocation is the following:

On the strength of its expertise, the Research Team builds a list of bonds that comprises a selection of bonds and convertible bonds (the “Bonds”). The Bonds are selected according to the positive opinion of the Research Team on their expected return in case of mergers and acquisitions operations on issuers or underlyings, or even due to expected market movements following mergers and acquisitions operations.

This list is completed by associating to each Bond a number representing the number of each bond to be put in the Allocation, such Allocation is actively managed.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

The Index Components are Debt Security Instruments, the ones in the Allocation, and the Eonia Capitalized Index (Bloomberg page EONCAPL7 Index), all have a positive or nil weight in the Index.

Following the objectives of the Index, the number of each Index Component that is a Debt Security Instruments aims to equal to the number of the said Debt Security Instrument in the Allocation.

Yet, upon the publication of a new Allocation, a discrepancy between the Allocation and the Index Allocation (the latter being defined by extension as the Debt Security Instruments in the Index with their associated number) might occur:

- a) Following 3.2 below a Debt Security Instrument entering the Allocation might not fulfill the Technical Eligibility Criteria in order to be part of the Index.
- b) The value of the Index, sum of the values of each Debt Security Instrument in the Index Allocation multiplied by their price and their number and of the number of Eonia Capitalized Index in the Index, is lower than the value of the new Allocation (defined accordingly).

If such a discrepancy implies that the Index value differs from the Allocation value (using the latest available prices on the Debt Security Instrument within the Allocation on the date of the publication of the Allocation) by more than 5% then the Index will not be modified and the new Allocation will not be taken into account. In such a case a specific notice will be published by the Technical Committee.

Else, the implementation of the new Allocation will start on the next Calculation Day and, if at this date, the Allocation value is higher than the Index value, then the number of the Component Eonia Capitalized Index will

be set to 0 and the number of the new Debt Security Instrument within the Index Allocation (either new as the ISIN of the Debt Security Instrument is new or new as the number of the Debt Security Instrument increases) will be multiplied by a coefficient inferior to 1 computed to ensure such a continuity in the Index value (the calculation methodology is detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand]).

The implementation is a process to form the new Index Allocation following the new Allocation, this process could last more than one day, generally for technical reasons published by the Technical Committee.

The above discrepancies do not include the difference between the Index and the Allocation that could be due to a significant part of the Eonia Capitalized Index within the Index.

3.2. Technical Eligibility Criteria

To be included in the Exane Index, a Debt Security Instrument must be sufficiently liquid to calculate an Average Rebalancing Cost of less than 1% on its listed market, the latter percentage of 1% being in fine the effective cost of a rebalancing as per §3.4 below, and must undergo a selection process detailed in the Quantitative Methodology Appendix to the Exane Index [available on demand].

A Debt Security Instrument, present in the Exane Managed Allocation line of indices (being named Exane Managed Allocation [type of underlying]), will be limited to 5% of the outstanding amount of such Debt Security Instrument and if needed reduced accordingly.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date, the weights are linked to the number of each bond within the Index Allocation, the constraint being that the Index is the value of the Index Allocation plus the value of the number of Component Eonia Capitalized Index, if any.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated with income and profits (after potential withholding tax) reinvested in the Component Eonia Capitalized Index converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.

Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.

Added to the above, and on each Rebalancing Date, the Index will be multiplied by $(1 - 1\% \cdot R)$.

Where $R = \sum_1^N \text{Abs}(w_i - w_{i'})$, with

N the size of the list encompassing all the Debt Security Instruments in the Index Allocation before and after the Rebalancing,

w_i the weight as a percentage of the notional of the Debt Security Instrument i within the Index Allocation before the Rebalancing Date and

$w_{i'}$ its weight after the Rebalancing Date.

Abs() being the absolute value of the number in brackets.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index
Bloomberg Code	EXDMMAMA

APPENDIX

The Composition and Weighting of the Index Components on December 21st 2015, the last Rebalancing Date:

NAME	CODE	NUMBER (In ten thousandths)
Auris Luxembourg II 8% 14/23	XS1153374084	5187.427834
British Land 1.50% 12/17	XS0827594762	36.42903302
Europcar International SASU 5.125% 14/21	XS1028950704	5548.099215
Grand City Properties 1.5% 14/19	XS1036325527	28.96846067
Great Portland 1% 13/18	XS0969485068	34.93354309
Immofinanz 4.25% 11/18 (Put 16)	XS0592528870	1273236.567
Interoute Communications Holdi 7.375% 15/20	XS1298004612	5583.518296
Leg Immobilien 0.5% 14/21 (Put 19)	DE000LEG1CB5	41.04630669
Monitchem HoldCo 2 6.875% 14/22	XS1074935492	6459.652044
NH Hoteles 4% 13/18	XS0989390249	48.8747738
Oblig BAWAG 8.125% 30/10/2023	XS0987169637	47.07524625
Obligation Wind 7 04/2021	XS1055940206	5823.471183
Paprec Holding 5.25% 15/22	XS1207101418	5823.122065
Playtech 0.5% EUR 14/19	XS1139088402	48.68066098
Premier Oil 2.5% USD 12/18	XS0849021877	8180.501576
Telecom Italia 1.125% 15/22	XS1209185161	53.66143164
Vodafone 0% 15/20	XS1325649140	43.08909655

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

RESPONSIBILITY STATEMENT

Each Issuer and the Guarantor accept responsibility for the information contained in or incorporate into this Third Supplement.

To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in or incorporate into this Third Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**FOURTH SUPPLEMENT
TO THE BASE PROSPECTUS
dated 18 January 2016**



**EXANE FINANCE
Debt Securities Issue Programme
Unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES**

This fourth supplement (the “**Fourth Supplement**”) is supplemental to, and should be read in conjunction with the base prospectus dated 24 June 2015 (the “**Base Prospectus**”), the first supplement to the Base Prospectus dated 25 August 2015 (the “**First Supplement**”), the second supplement to the Base Prospectus dated 3 November 2015 (the “**Second Supplement**”) and the third supplement to the Base Prospectus dated 11 January 2016 (together, the “**Supplements**”) prepared in relation to the Debt Securities Issue Programme of Exane Finance (the “**Issuer**”). On 24 June 2015, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purpose of article 5.4 of the European directive 2003/71/EC (the “**Prospectus Directive**”) and article 8.4 of the Luxembourg law relating to prospectuses for securities implementing the Prospectus Directive (the “**Luxembourg Law**”).

The Fourth Supplement constitutes a supplement for the purposes of article 16.1 of the Prospectus Directive and article 13.1 of the Luxembourg Law.

Unless otherwise defined in the Fourth Supplement, terms defined in the Base Prospectus, the First Supplement, the Second Supplement and the Third Supplement shall have the same meaning when used in the Fourth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fourth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, the First Supplement, the Second Supplement or the Third Supplement, the statements referred to in (i) above will prevail.

In accordance with Article 13 (2) of the Luxembourg Law on Prospectuses for securities, investors who have already agreed to purchase or subscribe for the Securities before this Fourth Supplement is published have the right, exercisable within two business days after the publication of this Fourth Supplement, to withdraw their acceptances. The final date of the right withdrawal will be 20 January 2016.

Save as disclosed in this Fourth Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus and any other previously approved Supplements.

The Fourth Supplement will be available for consultation and copies may be obtained at the registered office of the Issuer, the Principal Paying Agent and the Luxembourg Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.exane.com/exaneissues).

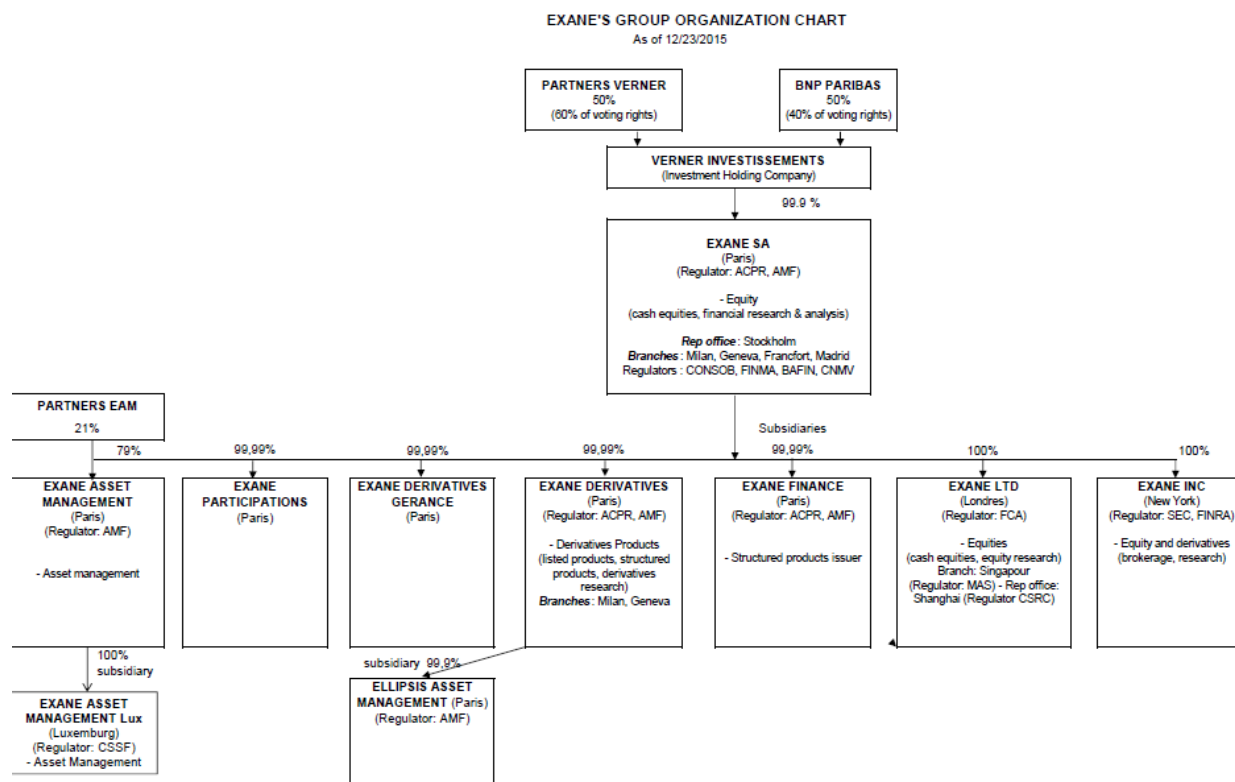
The purpose of this Fourth Supplement is:

- to amend the Summary
- to amend the Description of the Issuer : Exane Finance
- to amend the Description of the Guarantor : Exane Derivatives
- To add the Specific Methodology of a new Proprietary Index. A new Specific Methodology for the Exane Q-Rate 15 Low Risk Europe Market Neutral is annexed to this Fourth Supplement.

For the avoidance of doubt, none of the changes to the terms and conditions and the form of final terms shall apply to issues made before the date of publication of the supplement.

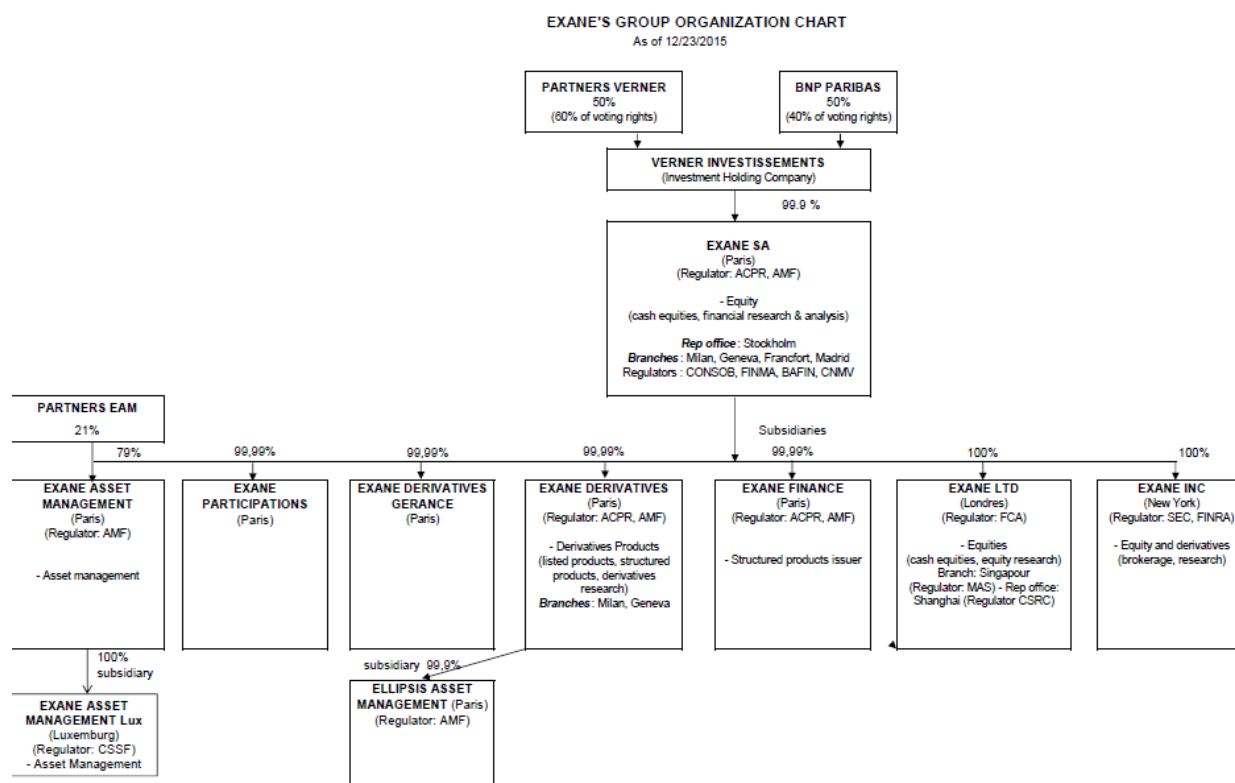
SUMMARY OF THE PROGRAMME

- The Group structure chart in the Element B.5 of Summary of the Programme (on page 9-10) is modified as follows:



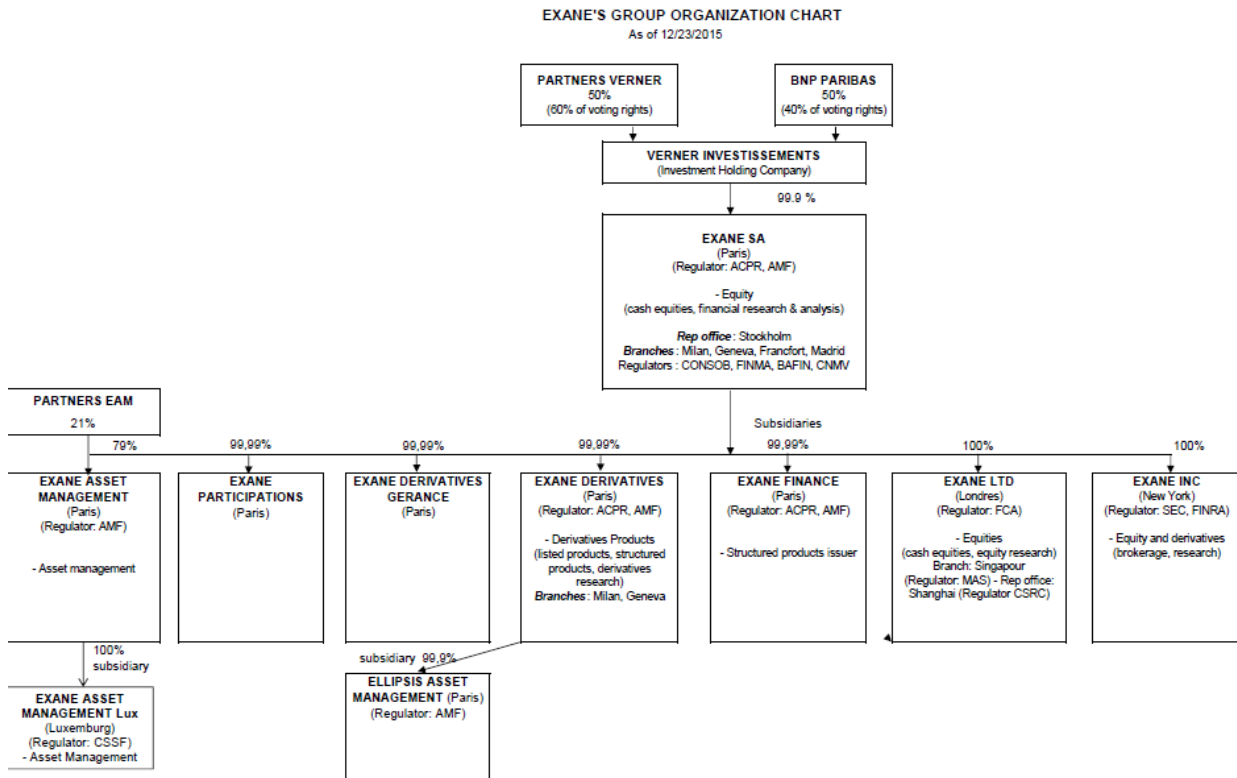
DESCRIPTION OF THE ISSUER: EXANE FINANCE

- The Exane's Group Organization Chart on page 606 of the Base Prospectus is modified as follows:



DESCRIPTION OF THE GUARANTOR: EXANE DERIVATIVES

- The Exane's Group Organization Chart on page 611 of the Base Prospectus is modified as follows:



SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Low Risk Europe Market Neutral”

1. Introduction

The “**Exane Q-Rate 15 Low Risk Europe Market Neutral**” Index is a performance index composed of:

- a long position on the Exane Q-Rate 15 Low Risk Europe (RB) Index,
- a short position on a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index.

The Exane Q-Rate 15 Low Risk Europe Market Neutral Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is December 15th 2015, with an initial value of EUR 1.000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to isolate the outperformance of the Exane Q-Rate 15 Low Risk Europe (RB) Index versus a composite that includes the STOXX 600 (Gross Return) Index, the STOXX Europe 600 Banks (Gross Return) Index and the Eonia Capitalised Index, while striving to eliminate directional bias. This is done by selling the composite adjusted for a coefficient, the “**Beta Q-Rate 15 Low Risk Europe**”, published by Exane Research (the “Research Team”) on a Rebalancing Date. The composite itself contains the STOXX Europe 600 Banks (Gross Return) for an amount linked to the percentage, published by the Research Team on the Rebalancing Date, representing the weighting of financial stocks within the European market, namely the “**Europe Financials weight estimate**”.

The Exane Q-Rate 15 Low Risk Europe (RB) Index, denominated in Euro, is published on Bloomberg EXDMQMLB and its methodology is available on www.exane.com.

The composition and weighting of the Exane Index on the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Q-Rate 15 Low Risk Europe (RB) Index (Bloomberg code: EXDMQMLB)
- the Eonia Capitalised Index (Bloomberg code: EONCAPL7 Index)
- the STOXX 600 (Gross Return) Index (Bloomberg code: SXXGR)
- the STOXX Europe 600 Banks (Gross Return) Index (Bloomberg code: SX7GR)

3.2 Calculation Rules

3.2.1. Weighting

The Index Components are not equally weighted and the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

In the Index, as of the Creation Date and following the publication of the Beta Q-Rate 15 Low risk Europe by the Research Team (hereafter any ‘Rebalancing Date m’):

- a) the value of the Exane Index is invested in the Exane Q-Rate 15 Low Risk Europe (RB) Index,
- b) the STOXX 600 (Gross Return) Index adjusted for Beta Q-Rate 15 Low Risk Europe is sold for an amount equivalent to the value of the Exane Index,
- c) The STOXX Europe 600 Banks (Gross Return) Index adjusted for Beta Q-Rate 15 Low Risk Europe and multiplied by a percentage (FinPerc defined hereafter) of the Exane Index is bought,

d) The cash generated by these two operations b and c above is invested in the Eonia Capitalised Index.

Therefore, as per the above description, the Index, on any Rebalancing Date m namely “Index(m)” will be computed as follows :

$$\text{Index}(m) = \text{Index}(m-1) \times \left[\frac{\text{QR}(m)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(m)}{\text{Short}(m-1)} - \frac{\text{Eonia}(m)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{n(m)}$$

Where:

$$\frac{\text{Short}(m)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(m)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(m)}{\text{STB}(m-1)} \right]$$

QR(m) is the value of the Exane Q-Rate 15 Low Risk Europe (RB) Index on Rebalancing Date m (respectively QR(m-1) on Rebalancing Date m-1),

Eonia(m) is the value of the Eonia Capitalised Index on Rebalancing Date m (respectively Eonia(m-1) on Rebalancing Date m-1),

STX(m) is the value of the STOXX 600 (Gross Return) Index on Rebalancing Date m (respectively STX(m-1) on Rebalancing Date m-1),

STB(m) is the value of the STOXX Europe 600 Banks (Gross Return) Index on Rebalancing Date m (respectively STB(m-1) on Rebalancing Date m-1),

Expoβ(m) is the Beta Q-Rate 15 Low Risk Europe established by Exane Research (the “Research Team”) following a quantitative process,

Index Fees “F” are equal to 0.20%,

n(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and Rebalancing Date m included,

FinPerc(m-1) is the percentage published by the Research Team on the Rebalancing Date(m-1), representing the weighting of financial stocks within the European market.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

On any date d between two Rebalancing Dates m-1 and m the Index, will be computed as follows

$$\text{Index}(d) = \text{Index}(m-1) \times \left[\frac{\text{QR}(d)}{\text{QR}(m-1)} - \text{Expo}\beta(m-1) \times \left(\frac{\text{Short}(d)}{\text{Short}(m-1)} - \frac{\text{Eonia}(d)}{\text{Eonia}(m-1)} \right) \right] \times \left(1 - \frac{F}{252} \right)^{d(m)}$$

Where:

$$\frac{\text{Short}(d)}{\text{Short}(m-1)} = \frac{1}{(1 - \text{FinPerc}(m-1))} \times \left[\frac{\text{STX}(d)}{\text{STX}(m-1)} - \text{FinPerc}(m-1) \times \frac{\text{STB}(d)}{\text{STB}(m-1)} \right]$$

d(m) is the number of Calculation Days between Rebalancing Date m-1 excluded and date d included.

4. List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMQLMN

APPENDIX 1

The Composition and Weighting of the Exane Index on December 15th 2015, the Creation Date:

EXANE Q-RATE 15 LOW RISK EUROPE MARKET NEUTRAL	ISIN/ Bloomberg Code	Weighting (%)
Q-Rate 15 Low risk Europe	EXDMQMLB	100%
Stoxx 600	SXXGR	-86.4516%
STOXX Europe 600 Banks	SX7GR	19.4516%
Eonia Capitalized	EONCAPL7	67%

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

Disclaimer: STOXX

The EUROSTOXX 50 index (the STOXX Index) is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors ("Licensors"), which is used under license. The Exane Index based on the STOXX Index is in no way sponsored, endorsed, sold or promoted by STOXX and its Licensors and neither of the Licensors shall have any liability with respect thereto.

RESPONSIBILITY STATEMENT

Each Issuer and the Guarantor accept responsibility for the information contained in or incorporate into this Third Supplement.

To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in or incorporate into this Third Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**FIFTH SUPPLEMENT
TO THE BASE PROSPECTUS
dated 5 April 2016**



**EXANE FINANCE
Debt Securities Issue Programme
Unconditionally and irrevocably guaranteed by
EXANE DERIVATIVES**

This fifth supplement (the “**Fifth Supplement**”) is supplemental to, and should be read in conjunction with the base prospectus dated 24 June 2015 (the “**Base Prospectus**”), the first supplement to the Base Prospectus dated 25 August 2015 (the “**First Supplement**”), the second supplement to the Base Prospectus dated 3 November 2015 (the “**Second Supplement**”), the third supplement to the Base Prospectus dated 11 January 2016 and the fourth supplement to the Base Prospectus dated 18 January 2016 (the “**Fourth Supplement**”) (together, the “**Supplements**”) prepared in relation to the Debt Securities Issue Programme of Exane Finance (the “**Issuer**”). On 24 June 2015, the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) approved the Base Prospectus as a base prospectus for the purpose of article 5.4 of the European directive 2003/71/EC (the “**Prospectus Directive**”) and article 8.4 of the Luxembourg law relating to prospectuses for securities implementing the Prospectus Directive (the “**Luxembourg Law**”).

The Fifth Supplement constitutes a supplement for the purposes of article 16.1 of the Prospectus Directive and article 13.1 of the Luxembourg Law.

Unless otherwise defined in the Fifth Supplement, terms defined in the Base Prospectus, the First Supplement, the Second Supplement, the Third Supplement and the Fourth Supplement shall have the same meaning when used in the Fifth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fifth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, the First Supplement, the Second Supplement, the Third Supplement or the Fourth Supplement, the statements referred to in (i) above will prevail.

In accordance with Article 13 (2) of the Luxembourg Law on Prospectuses for securities, investors who have already agreed to purchase or subscribe for the Securities before this Fifth Supplement is published have the right, exercisable within two business days after the publication of this Fifth Supplement, to withdraw their acceptances. The final date of the right withdrawal will be 7 April 2016.

Save as disclosed in this Fifth Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus and any other previously approved Supplements.

The Fifth Supplement will be available for consultation and copies may be obtained at the registered office of the Issuer, the Principal Paying Agent and the Luxembourg Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.exane.com/exaneissues).

The purpose of this Fifth Supplement is to add the Specific Methodology of Proprietary Indices in the subsection “Specific Methodologies” of the Section “Indices” of the Base Prospectus . A new Specific Methodology is annexed to this Fifth Supplement for each of the following Proprietary Indices:

- Exane US REITs, Exane US REITs (RI) and Exane US REITs (RB)
- Exane Gold Equity, Exane Gold Equity (RI) and Exane Gold Equity (RB)
- Exane Gold Commodity EURO
- Exane Short Investment Grade
- Exane Short High Yield
- Exane Q-Rate Eurozone, Exane Q-Rate Eurozone (RI), Exane Q-Rate Eurozone (RB) and Exane Q-Rate Eurozone (D)
- Exane Q-Rate 15 Eurozone, Exane Q-Rate 15 Eurozone (RI), Exane Q-Rate 15 Eurozone (RB) and Exane Q-Rate 15 Eurozone (D)

For the avoidance of doubt, none of the changes to the terms and conditions and the form of final terms shall apply to issues made before the date of publication of the supplement.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane US REITs” “Exane US REITs (RI)” “Exane US REITs (RB)”

1. Introduction

The “Exane US REITs”, “Exane US REITs (RI)”, and “Exane US REITs (RB)” Indices are performance indices based on the “Exane US REITs List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane US REITs” Index, income and profits are not reinvested.

The “Exane US REITs (RI)” Index is calculated with net income and profits reinvested.

The “Exane US REITs (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane US REITs” Index will also apply to the “Exane US REITs (RI)” and “Exane US REITs (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on 02 February 2016 with an initial value of 1000 USD.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- Our methodology aims to identify the stocks offering the best profile in terms of valuation, growth, momentum, and risk profile.

- The underlying data is drawn from Factset Estimates and Factset Fundamentals, restated by Exane BNP Paribas where necessary.

- The List comprises the 17 most attractive stocks among US REITs. The selection is based on a systematic scoring

The List is updated monthly.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are indicated in the Appendix 1 to this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2 Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3 Calculation Rules

3.3.1. Monthly weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date.

3.3.2 Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Dollar. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4 Calculation Formulae

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%.
 - ⇒ B is equal to 252.
 - ⇒ n(t) is expressed in Calculation Dates.
 - ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

	Exane Index	Exane RI Index	Exane RB Index
Bloomberg Code	EXDMREIP	EXDMREIT	EXDMREIB

APPENDIX 1

The Composition and Weighting of the Exane Index on February 2nd 2016, the Creation Date of the Index:

Exane US REITs Indices	ISIN/ Bloomberg Code	Weighting (%)
Brixmor Property Group Inc	US11120U1051	5.88235
Coresite Realty Corp	US21870Q1058	5.88235
Crown Castle International	US22822V1017	5.88235
CubeSmart	US2296631094	5.88235
CyrusOne Inc	US23283R1005	5.88235
Digital Realty Trust Inc	US2538681030	5.88235
DuPont Fabros Technology Inc	US26613Q1067	5.88235
Essex Property Trust Inc	US2971781057	5.88235
Extra Space Storage Inc	US30225T1025	5.88235
Geo Group Inc/The	US36162J1060	5.88235
Healthcare Realty	US4219461047	5.88235
Healthcare Trust of America Inc	US42225P5017	5.88235
Public Storage	US74460D1090	5.88235
Regency Centers Corp	US7588491032	5.88235
Ryman Hospitality Properties	US78377T1079	5.88235
Sovran Self Storage Inc	US84610H1086	5.88235
UDR Inc	US9026531049	5.88235

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Index by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings. Some components may be drawn from Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

For components drawn from Exane Research, the impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Gold Equity” “Exane Gold Equity (RI)” “Exane Gold Equity (RB)”

1. Introduction

The “Exane Gold Equity”, “Exane Gold Equity (RI)”, and “Exane Gold Equity (RB)” Indices are performance indices based on the “Exane Gold List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks.

Within the “Exane Gold Equity” Index, income and profits are not reinvested.

The “Exane Gold Equity (RI)” Index is calculated with net income and profits reinvested.

The “Exane Gold Equity (RB)” Index is calculated with gross income and profits reinvested.

Unless otherwise stated, the rules which apply to the “Exane Gold Equity” Index will also apply to the “Exane Gold Equity (RI)” and “Exane Gold Equity (RB)” Indices.

All three are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on February 12th, 2016 with a value of USD 10 000,00.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is to provide a dynamic exposure to the gold price while minimising some of the risks and volatility associated with an investment in the gold mining sector.

Company data and consensus numbers are used to inform our selection process

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee weights the Index Components in the inverse proportion of their sixty (60) days volatility (the weights being capped and floored at respectively 5% and 20%, if needed through a homothetic transformation with respect to the average weight) at each Technical Committee Meeting and on each first Calculation Date of each month; the new weightings are implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index is calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Dollar. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 “Rebalancing of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index

Bloomberg Code	EXDMGOLP	EXDMGOLT	EXDMGOLB

APPENDIX

The Composition and Weighting of the Index Components on February 12th, 2016, the Creation Date:

Name	Bloomberg Code	Weight in %
AGNICO EAGLE MINES LTD	AEM US	10.3%
BARRICK GOLD CORP	ABX US	7.1%
DETOUR GOLD CORP	DGC CN	10.0%
EVOLUTION MINING LTD	EVN AU	8.2%
FRANCO-NEVADA CORP	FNV US	11.1%
GOLDCORP INC	GG US	8.2%
NEWCREST MINING LTD	NCM AU	10.5%
NEWMONT MINING CORP	NEM US	8.6%
NORTHERN STAR RESOURCES LTD	NST AU	8.2%
SILVER WHEATON CORP	SLW CN	9.7%
TAHOE RESOURCES INC	TAHO US	8.0%

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Gold Commodity EURO”

1. Introduction

The “**Exane Gold Commodity EURO**” Index is a performance index composed of an investment in an ounce of gold financed with a borrowing position in dollar and a lending position in euro of the Index.

The Exane Gold Commodity EURO Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “**Exane Index**”.

The Creation Date of the Exane Index is February 15th 2016 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed to the performance of gold with dynamic hedging against a variation in the Dollar against the Euro.

The ounce of gold is denominated in Dollar.

The forex hedging is implemented with a borrowing position on the Dollar and a lending position on the Euro. This position is renewed every first and third Monday of a month at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the fixing price of an ounce of gold in Dollar, (Bloomberg code: GOLDLNPM Index)
- the Dollar Overnight Rate Index (Bloomberg code: DBMMFED1 Index) (the “**Dollar Index**”)
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index) (the “**Euro Index**”).

3.2 Dynamic foreign exchange position

On the Creation Date of the Exane Index, the value of the Exane Index in euros is calculated based on the value of the GOLDLNPM Index converted into euros based on the exchange rate available on Reuters EURUSD=R at 17.45, Paris time (rebased at 1000.00).

This value converted into Dollar (based on the exchange rate available on Reuters EURUSD=R at 17.45, Paris time) is systematically borrowed from the Dollar Index based on the value available on Bloomberg DBMMFED1 at close and is synthetically reinvested in Euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

3.3 Calculation Rules

3.3.1. Weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every first and third Monday of each month as of the Creation Date (or the following trading day), the value of the Exane Index is invested in the ounce of gold based on the exchange rate available on Reuters EURUSD=R at 17.45, Paris time.

On the same date, this amount of the Exane Index is converted into Dollar and synthetically borrowed from the Dollar Index based on the value available on Bloomberg DBMMFED1 at close and is

synthetically reinvested in euros in the Euro Index based on the value available on Bloomberg EONCAPL7 at close.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest weighting date d, will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{F - SP}{252}\right)^{(t-d)} \times \left[\frac{(GOLt \times FXt)}{(GOLd \times FXd)} + \frac{IEt}{IEd} - \frac{(FEDt \times FXt)}{(FEDd \times FXd)} \right]$$

Where:

GOLt is the value of GOLDLNPM Index (in Dollar) on date t (respectively GOLd on date d),

FEDt is the value of the Dollar Index (in Dollar) on date t (respectively FEDd on date d),

IEt is the value of the Euro Index on date t (respectively IEd on date d),

FXt is the exchange rate on date t, expressed as the number of Euro for 1 Dollar (respectively FXd on date d),

SP is the cost linked to the difference of spreads that follow the borrowing in one currency and investing in another. It is equal to the last close available on date d of the cross currency rate present on Bloomberg page EUBS1 CMPL Curncy PX_BID.

F are the Index fees equal to 0.20%.

3.3.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.4 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 “Rebalancing of Index Components at each Rebalancing Date” applies.

4. List of Technical Committee Members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Q-Rate Japan EURO Index
Bloomberg	Page	ALLX EXDM
	Code	EXDMGOEU

APPENDIX 1

The Composition and Weighting of the Index Components on February 15th 2016, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Gold ounce	GOLDLNPM	+100
Dollar Overnight Rate Index	DBMMFED1	-100
Eonia Capitalization Index	EONCAPL7	+100

Disclaimer: Conflicts of Interest

The calculation and publication of the values of the Exane Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process.

The conflicts of interest management policy can be found at the following address:
<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Short Investment Grade”

1. Introduction

The “Exane Short Investment Grade” Index is a performance index composed of:

- a short position in the Exane Investment Grade Credit Market Index,
- and a long position on a euro-denominated capitalisation Index.

The Exane Short Investment Grade Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “Exane Index”.

The Creation Date of the Exane Index is February 1st 2016 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed negatively to the performance of the Exane European Investment Grade Credit Index. The Exane Investment Grade Credit Market Index is denominated in Euro, it is available on Bloomberg EXDMIGCM and its methodology is available on www.exane.com.

This position is renewed every quarter at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane Investment Grade Credit Market Index, (Bloomberg code: EXDMIGCM), the Credit Index
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index), the Euro Index.

3.2 Calculation Rules

3.2.1. Quarterly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every first day of the quarter as of the Creation Date (or the following trading day), the value of the Exane Index is shorting the Credit Index.

On the same date, this amount is reinvested in euros in the Euro Index.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest quarterly weighting date d , will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP + F}{252}\right)^{(t-d)} \left[2 \times \frac{IEt}{IEd} - \frac{IGt}{IGd}\right]$$

Where:

IGt is the value of the Credit Index on date t (respectively IGd on date d),

IEt is the value of the Euro Index on date t (respectively IEd on date d),

SP is the cost linked to shorting the Credit Index, equal to 0.58%

Index Fees “F” are equal to 0.20%.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Short Investment Grade
Bloomberg	Page	ALLX EXDM
	Code	EXDMSOIG

APPENDIX 1

The Composition and Weighting of the Index Components on February 1st 2016, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Exane Investment Grade Credit Market Index	EXDMIGCM	-100
Eonia Capitalization Index	EONCAPL7	+200

Disclaimer: Conflicts of Interest

The calculation and publication of the values of the Exane Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process.

The conflicts of interest management policy can be found at the following address:
<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Short High Yield”

1. Introduction

The “Exane Short High Yield” Index is a performance index composed of:

- a short position in the Exane European High Yield Credit Index,
- and a long position on a euro-denominated capitalisation Index.

The Exane Short High Yield Index is a Proprietary Index as stated in the Base Prospectus and will be referred to as the “Exane Index”.

The Creation Date of the Exane Index is February 1st 2016 with a value of EUR 1,000.00

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Index is to be exposed negatively to the performance of the Exane European High Yield Credit Index. The Exane European High Yield Credit Index is denominated in Euro, it is available on Bloomberg EXDMEHYC and its methodology is available on www.exane.com.

This position is renewed every quarter at an amount equal to the Exane Index at the time of renewal.

The composition and weighting of the Exane Index on the business day following the last Rebalancing Date are shown in Appendix 1 of this methodology.

3. Construction and calculation rules of the Exane Index

3.1 Index Components

The Exane Index is composed of the following Index Instruments:

- the Exane European High Yield Credit Index, (Bloomberg code: EXDMEHYC), the Credit Index
- the Eonia Capitalization Index (Bloomberg code: EONCAPL7 Index), the Euro Index.

3.2 Calculation Rules

3.2.1. Quarterly weighting

The Index Components are not equally weighted, the weight of each Index Instrument within the Exane Index will be specified at each Rebalancing Date.

Every first day of the quarter as of the Creation Date (or the following trading day), the value of the Exane Index is shorting the Credit Index.

On the same date, this amount is reinvested in euros in the Euro Index.

Therefore, as per the above description, the Index on a date t namely “Index(t)”, following the latest quarterly weighting date d , will be computed as follows :

$$Index(t) = Index(d) \times \left(1 - \frac{SP + F}{252}\right)^{(t-d)} \left[2 \times \frac{IEt}{IEd} - \frac{HYt}{HYd}\right]$$

Where:

HY t is the value of the Credit Index on date t (respectively HY d on date d),

IE t is the value of the Euro Index on date t (respectively IE d on date d),

SP is the cost linked to shorting the Credit Index, equal to 1.58%

Index Fees “F” are equal to 0.20%.

3.2.2 Base Currency

The Base Currency of the Exane Index is the Euro.

3.3 Calculation Formulae

The Index Calculation Agent will use the calculation formulae as described in Appendix 1 "Calculation Method of the Exane Indices" of the General Methodology using the following criteria:

⇒ Clause 4.1.2 "Rebalancing of Index Components at each Rebalancing Date" applies.

4. Technical Committee

4.1 List of Technical Committee members

Members	Substitute members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuration
Denis Cauchard	Moulaye Biaye	Data Base

5. Publication

Any information on the Exane Index is available on the website www.exane.com.

The latest valuations of the Exane Index are available on Bloomberg page <ALLX EXDM> as indicated below:

Source		Exane Short High Yield
Bloomberg	Page	ALLX EXDM
	Code	EXDMSOY

APPENDIX 1

The Composition and Weighting of the Index Components on February 1st 2016, the last Rebalancing Date:

Name	ISIN Code	Weighting (in %)
Exane European High Yield Credit Index	EXDMEHYC	-100
Eonia Capitalization Index	EONCAPL7	+200

Disclaimer: Conflicts of Interest

The calculation and publication of the values of the Exane Index by Exane Derivatives requires the calculation of Index values based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

This step may give rise to conflicts of interest. The principal negative impact of such conflicts of interest would challenge the independence of the Index calculation process.

The conflicts of interest management policy can be found at the following address:
<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>.

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate Eurozone” “Exane Q-Rate Eurozone (RI)” “Exane Q-Rate Eurozone (RB)” “Exane Q-Rate Eurozone (D)”

1. Introduction

The “Exane Q-Rate Eurozone”, “Exane Q-Rate Eurozone (RI)”, “Exane Q-Rate Eurozone (RB)”, and “Exane Q-Rate Eurozone (D)” Indices are performance indices based on the “QRate Euro List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate Eurozone” Index, income and profits are not reinvested.

The “Exane Q-Rate Eurozone (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate Eurozone (RB)” Index is calculated with gross income and profits reinvested.

The “Exane Q-Rate Eurozone (D)” Index is calculated with net income and profits reinvested and significant linear fixed costs.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate Eurozone” Index will also apply to the “Exane Q-Rate Eurozone (RI)”, “Exane Q-Rate Eurozone (RB)”, and “Exane Q-Rate Eurozone (D)” Indices.

All four are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, the “Exane D Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on February 2nd 2016.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top of the MSCI EMU ex. Financials.

The List is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index and the Exane D Index are calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%, except for the Exane D Index for which “F” are equal to 3.70%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index, the Exane D Index, and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index	Exane D Index
Bloomberg Code	EXDMQZAT	EXDMQZAR	EXDMQZEB	EXDMQZED

APPENDIX

The Composition and Weighting of the Index Components on February 2nd 2016, the Creation Date:

Name	Code	Weight
ATOS SE	ATO FP	5,882%
TUI AG-DI	TUI1 GR	5,882%
RYANAIR HOLDINGS PLC	RYA ID	5,882%
DEUTSCHE LUFTHANSA-REG	LHA GR	5,882%
SNAM SPA	SRG IM	5,882%
TERNA SPA	TRN IM	5,882%
DEUTSCHE POST AG-REG	DPW GR	5,882%
IBERDROLA SA	IBE SM	5,882%
EUTELSAT COMMUNICATIONS	ETL FP	5,882%
RELX NV	REN NA	5,882%
ATLANTIA SPA	ATL IM	5,882%
NESTE OYJ	NESTE FH	5,882%
KONE OYJ-B	KNEBV FH	5,882%
WARTSILA OYJ ABP	WRT1V FH	5,882%
CAP GEMINI	CAP FP	5,882%
VALEO SA	FR FP	5,882%
THALES SA	HO FP	5,882%

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

SPECIFIC METHODOLOGY OF PROPRIETARY INDICES

“Exane Q-Rate 15 Eurozone” “Exane Q-Rate 15 Eurozone (RI)” “Exane Q-Rate 15 Eurozone (RB)” “Exane Q-Rate 15 Eurozone (D)”

1. Introduction

The “Exane Q-Rate 15 Eurozone”, “Exane Q-Rate 15 Eurozone (RI)”, “Exane Q-Rate 15 Eurozone (RB)”, and “Exane Q-Rate 15 Eurozone (D)” Indices are performance indices based on the “QRate 15 Euro List” (the “List”) established by Exane Research (the “Research Team”). The List is a list of stocks updated on a monthly basis.

Within the “Exane Q-Rate 15 Eurozone” Index, income and profits are not reinvested.

The “Exane Q-Rate 15 Eurozone (RI)” Index is calculated with net income and profits reinvested.

The “Exane Q-Rate 15 Eurozone (RB)” Index is calculated with gross income and profits reinvested.

The “Exane Q-Rate 15 Eurozone (D)” Index is calculated with net income and profits reinvested and significant linear fixed costs.

Unless otherwise stated, the rules which apply to the “Exane Q-Rate 15 Eurozone” Index will also apply to the “Exane Q-Rate 15 Eurozone (RI)”, “Exane Q-Rate 15 Eurozone (RB)”, and “Exane Q-Rate 15 Eurozone (D)” Indices.

All four are Proprietary Indices as stated in the Base Prospectus and shall hereafter be referred to respectively as the “Exane Index”, the “Exane RI Index”, the “Exane RB Index”, the “Exane D Index”, or collectively as the “Exane Indices”.

The Exane Indices were created on February 15th 2016.

Any terms in uppercase not defined in this document shall have the meaning as given in the General Methodology.

Exane Derivatives will act as Index Calculation Agent.

2. Objectives

The objective of the Exane Indices is to enable investment in the List according to the construction and calculation rules described in paragraph 3 hereafter.

The intention behind the List is the following:

- QRate methodology aims to identify the stocks offering the best profile in terms of valuation, earnings growth and momentum, and risk profile.
- The underlying data is drawn from Factset Estimates, restated by Exane BNP Paribas where necessary.
- The List comprises the stocks rated in the top of the MSCI EMU ex. Financials.

The List is updated monthly.

3. Construction and calculation rules of the Exane Index

3.1. Selection of the Index Components

Each time the List is modified, the Technical Committee applies the Technical Eligibility Criteria as described in paragraph 3 of the General Methodology and in paragraph 3.2 of this Specific Methodology.

The Index Components are Equity Instruments.

The breakdown and the weighting of the Exane Index at the latest Rebalancing Date are listed in the appendices of this specific Methodology.

3.2. Technical Eligibility Criteria

There are no Technical Eligibility Criteria that apply specifically to the Exane Index.

3.3. Calculation rules

3.3.1. Weighting

The Technical Committee equally-weights the Index Components at each Technical Committee Meeting; the new weightings are implemented as of the Rebalancing Date.

3.3.2. Reinvestment of income and profits of an Index Component

The Exane Index is calculated without income and profits reinvested.

The Exane RI Index and the Exane D Index are calculated with income and profits reinvested (after potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

The Exane RB Index is calculated with income and profits reinvested (without potential withholding tax) converted into the Exane Index currency and paid either in stocks or in cash.

3.3.3. Base Currency and foreign exchange risk

The Base Currency of the Exane Index is the Euro. The foreign exchange risk, if there is any, is not hedged. The prices of the Index Components are expressed in the Base Currency and can be converted as stipulated in Appendix 1 of the General Methodology “Calculation Method of the Exane Indices”.

3.4. Calculation Formulas

The Calculation Agent of the Exane Index will use the calculation formulas as mentioned in Appendix 1 “Calculation Method of the Exane Indices” of the General Methodology using the following criteria:

- ⇒ Index Fees “F” are equal to 0.20%, except for the Exane D Index for which “F” are equal to 3.70%.
- ⇒ B is equal to 252.
- ⇒ n(t) is expressed in Calculation Dates.
- ⇒ Clause 4.1.2 cont. “Market weighting of the Index Components at each Rebalancing Date” will apply.
- ⇒ Clause 4.2 “Mechanism specific to reinvestment of income and profits of an Index Component” will only apply to the Exane RI Index, the Exane D Index, and the Exane RB Index, for the latter the withholding of tax (WTi) will be deemed equal to zero.

4. List of Technical Committee members

Members	Substitute Members	Function
Emmanuel Goudouneix	Laurence Manesse	Structuring
Denis Cauchard	Moulaye Biaye	Database

5. Publication

Any information regarding the Exane Indices is available on the website www.exane.com.

The latest valuations of Exane Indices, including performance and 1-year volatility, are available on Bloomberg Page <ALLX EXDM> as indicated below.

	Exane Index	Exane RI Index	Exane RB Index	Exane D Index
Bloomberg Code	EXDMQZMT	EXDMQZMR	EXDMQZMB	EXDMQZMD

APPENDIX

The Composition and Weighting of the Index Components on February 15th 2016, the Creation Date:

Name	Code	Weight
RYANAIR HOLDINGS PLC	RYA ID	5,88%
ATOS SE	ATO FP	5,88%
DEUTSCHE LUFTHANSA-REG	LHA GR	5,88%
TUI AG-DI	TUI1 GR	5,88%
NESTE OYJ	NESTE FH	5,88%
SNAM SPA	SRG IM	5,88%
PUBLICIS GROUPE	PUB FP	5,88%
TERNA SPA	TRN IM	5,88%
RELX NV	REN NA	5,88%
WARTSILA OYJ ABP	WRT1V FH	5,88%
KONE OYJ-B	KNEBV FH	5,88%
VINCI SA	DG FP	5,88%
VEOLIA ENVIRONNEMENT	VIE FP	5,88%
DEUTSCHE POST AG-REG	DPW GR	5,88%
RED ELECTRICA CORPORACION SA	REE SM	5,88%
WOLTERS KLUWER	WKL NA	5,88%
SIEMENS AG-REG	SIE GR	5,88%

Disclaimer: Conflicts of Interest

The calculation and publication of valuations of the Exane Indices by Exane Derivatives necessitates two successive stages:

- the first consists in establishing the list of components and their relative weightings by Exane Research;
- the second consists in calculating the Index valuation based on predetermined rules set out in the Index calculation methodology by Exane Derivatives, a wholly-owned subsidiary of Exane SA.

These two stages may give rise to conflicts of interest. Such conflicts of interest could adversely impact the independence of the Index component selection process or its calculation.

The impartiality and independence of the process for selecting components and their relative weightings are guaranteed by the procedure for managing conflicts of interest at Exane Research (the conflicts of interest management policy can be found at the following address:

<https://www.exane.com/pdf/corporate/mifidConflitFR.pdf>).

RESPONSIBILITY STATEMENT

Each Issuer and the Guarantor accept responsibility for the information contained in or incorporate into this Fifth Supplement.

To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in or incorporate into this Fifth Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.