

# BASE PROSPECTUS

Dated 20 June 2012



## CODEIS SECURITIES SA as Issuer

(a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 26, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg and registered with the Luxembourg trade and companies register under number B.136.823)

## SOCIETE GENERALE as Guarantor (incorporated in France)

## €100,000,000,000 Limited Recourse Notes Programme

Under the €100,000,000,000 Limited Recourse Notes Programme (the **Programme**), Codeis Securities SA (the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the **Notes**) denominated in any currency agreed by the Issuer and the relevant Purchaser(s) (as defined below). The Issuer is subject to the Grand Duchy of Luxembourg (**Luxembourg**) act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**). Under the Securitisation Act 2004, the Issuer, as a regulated entity within the meaning of the Securitisation Act 2004, is entitled to issue Notes or shares to the public on an ongoing basis. Shares will not be issued under this Base Prospectus. If so specified in the applicable Final Terms (as defined below), the Guaranteed Shortfall Amount (as defined below) in respect of the Notes (any such Notes, **Guaranteed Notes**) will be unconditionally and irrevocably guaranteed by Societe Generale (in such capacity, the **Guarantor**) pursuant to the Trust Deed (as defined below), the relevant provisions of which are referred to herein as the **Guarantee**. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €100,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement defined below) or such greater amount as is agreed between the parties in the programme agreement dated 20 June 2012 (the **Programme Agreement**, which expression includes the same as it may be modified and/or supplemented and/or restated from time to time).

This Base Prospectus supersedes and replaces the base prospectus dated 27 October 2011.

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions hereof. This does not affect any Notes already in issue.

It is intended that certain additional companies (each an **Additional Issuer**) may from time to time issue Notes under the Programme. Each such Additional Issuer will be required to execute a deed (an **Accession Deed**) agreeing to be bound by all the terms of the Trust Deed (as defined herein) and certain other documents relating to the Programme (as specified in the relevant Accession Deed) and the other documents executed pursuant to or in connection with the issue of Notes under the Programme. Prior to any such Additional Issuer issuing Notes under the Programme, the Issuer and any Additional Issuer will prepare a new base prospectus which will supersede and replace this Base Prospectus.

The Notes will be issued to the Dealer(s) specified in the "General Description of the Programme" and any additional dealer appointed under the Programme from time to time (each a **Dealer** and together the **Dealers**). Notes may also be issued to third parties other than Dealers. Dealers and such third parties are referred to as purchasers (the **Purchasers**). The terms and conditions of the Notes are set out herein in the section headed "Terms and Conditions of the Notes". Notes may be issued in bearer form (**Bearer Notes**, which term shall include, except as the context otherwise requires, Bearer SIS Notes (as defined below), certificated registered form (**Registered Notes**) or in uncertificated registered form (**Uncertificated Notes**). Bearer Global Notes and Registered Global Notes may (or in the case of Notes listed on the Luxembourg Stock Exchange, will) be deposited on the issue date with a common depository on behalf of Euroclear Bank SA/NV as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and together with Euroclear, the **ICSDs**) (or if the applicable Final Terms indicate that (a) any temporary Bearer Global Note (as defined herein) or permanent Bearer Global Note (as defined herein) is intended to be in New Global Note (as defined herein) form or (b) any Registered Global Note (as defined herein) is intended to be in NSS Registered Global Note (as defined herein) form, with a common safekeeper for the ICSDs) or, as the case may be, with a custodian for, and registered in the name of a nominee of the Depository Trust Company (**DTC**), unless otherwise specified in the applicable Final Terms. Noteholders may hold Notes through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (such clearing system, **EUI** or **CREST**) either directly or through the issuance of Crest Depository Interests (such securities, **CDIs** and, together with Notes issued directly, **EUI Notes**) representing underlying Notes. CDIs are independent securities constituted under English law and transferred through CREST. CDIs will be issued by CREST Depository Limited pursuant to a global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated, the **CREST Deed Poll**), as all more fully described in the section headed "Book Entry Clearance Systems".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) which implemented the Prospectus Directive (as defined below), in Luxembourg to approve this document as a base prospectus for the purposes of article 5.4 of the Prospectus Directive. The CSSF assumes no responsibility as to the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with article 7(7) of the Prospectus Act 2005. Such application does not extend to money market instruments (as defined in the Prospectus Directive) having a maturity of less than one year (any such notes, **Short Term Notes**). Short Term Notes do not fall within the scope of the Prospectus Directive or Part II of the Prospectus Act 2005 and do not benefit from the passporting provisions of the Prospectus Directive, as further described in the section headed "Subscription, Sale and Transfer Restrictions". Application has also been made to the CSSF to approve this document as a base prospectus within the meaning of Part III, Chapter 1 of the Prospectus Act 2005 in respect of offers to the public of Short Term Notes. In addition application has also been made to the Luxembourg Stock Exchange for Notes (other than Short Term Notes) issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (the **Luxembourg Stock Exchange Regulated Market**) and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange Regulated Market. The Luxembourg Stock Exchange Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, as amended.

Notes will be issued in Series (as defined in the section headed "Terms and Conditions of the Notes"). Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in the section headed "Terms and Conditions of the Notes") of Notes will be set out in a final terms document (the **Final Terms**) which (except in the case of Private Placement Notes (as defined below) or in the case of Short Term Notes which are not publicly offered in Luxembourg) will be filed with the CSSF. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor (if applicable) and the relevant Purchaser. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The Issuer may agree with any Purchaser that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes as set out herein, in which case a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. This Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) in accordance with article 16 of the Prospectus Act 2005. Copies of this Base Prospectus can also be obtained at the registered office of each of the Issuer and the Guarantor and the specified office of each of the Paying Agents (as defined below), in each case at the address given at the end of this Base Prospectus.

In respect of any Compartment and any Note (the **Relevant Note**), and following a Note Acceleration (as defined below) in respect of the Relevant Note, the entitlement of the holder of the Relevant Note as against the Issuer will be limited: (i) in the case of any Category A Compartment, to such Noteholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms; and (ii) in the case of any Category B Compartment, to such Noteholder's *pro rata* share of the proceeds (as aforesaid) and, in the case of any Charged Assets Shortfall, the Supplementary Assets (if any). If, in respect of any Relevant Note, the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets applied as aforesaid are not sufficient to make all payments due in respect of the Relevant Note (such difference between the amounts due in respect of the Relevant Note and the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets received by the Holder of

such Relevant Note being the **Residual Shortfall Amount**), then, without prejudice to the rights of holders of Guaranteed Notes under the Guarantee, (i) no other assets of the Issuer will be available to meet such Residual Shortfall Amount, (ii) the claims of the holder of the Relevant Note as against the Issuer in respect of any such Residual Shortfall Amount shall be extinguished and (iii) neither the holder of a Note nor any person on its behalf shall have the right to petition for the winding-up of the Issuer as a consequence of any such Residual Shortfall Amount or otherwise. Noteholders, by acquiring the Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Luxembourg Securitisation Act 2004 and, in particular, the provisions with respect to limited recourse, non-petition, subordination and priority of payments.

In the case of any Guaranteed Notes, the Guarantor will unconditionally and irrevocably guarantee the difference between the Market Value of the Notes and the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets received by the Holders of such Notes in accordance with the Order of Priority specified in the applicable Final Terms (such amount being the **Guaranteed Shortfall Amount**).

The Notes and any Guarantee thereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or under any state securities laws, and none of the Issuer, the Guarantor nor any Compartment has registered or will register as an investment company under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). Accordingly, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined herein) except pursuant to an exemption from the registration requirements of the Securities Act in a transaction that will not cause the Issuer, the Guarantor or any Compartment, as the case may be, to become required to register under the Investment Company Act.

The Issuer may offer and sell Notes of certain issues within the United States or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act (**Regulation S**), exclusively to persons reasonably believed by the Issuer to be "qualified institutional buyers" (each a **QIB**) as defined in Rule 144A under the Securities Act (**Rule 144A**) who are also each a "qualified purchaser" (**QP**) within the meaning of Section 2(a)(51)(A) of the Investment Company Act and the rules and regulations thereunder. Notes may also be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Purchasers of the Notes will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Notes. See "U.S. Information" and "Subscription, Sale and Transfer Restrictions" herein.

Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Base Prospectus.

Notes issued under the Programme may be unrated or rated by one or more credit rating agencies. The rating(s) of the Notes (if any) will be specified in the applicable Final Terms, including as to whether or not such credit rating are issued by credit rating agencies established in the European Union, registered (or which have applied for registration) under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 (the **CRA Regulation**) and are included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu))

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by Moody's and/or Standard & Poor's. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

**ARRANGER**  
**Societe Generale Corporate & Investment Banking**

This Base Prospectus comprises: (i) a separate “base prospectus” for the purpose of article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU (the **2010 PD Amending Directive**)) (the **Prospectus Directive**) and Part II of the Prospectus Act 2005 in respect of the Notes (other than the Short Term Notes and Private Placement Notes (as defined below)) and for the purpose of giving information with regard to the Issuer, the Guarantor and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor; and (ii) a base prospectus falling within the scope of Part III, Chapter 1 of the Prospectus Act 2005 in respect of offers to the public of Short Term Notes in Luxembourg.

This Base Prospectus does not constitute a “prospectus” for the purposes of the Prospectus Directive in respect of any Notes (i) involving an offer to the public outside the European Economic Area (the **EEA**) or of a type listed in article 3.2 of the Prospectus Directive and article 5.2 of the Prospectus Act 2005 and (ii) which are not admitted to trading on a regulated market under article 3.3 of the Prospectus Directive and article 5.3 of the Prospectus Act 2005 (any such Notes, **Private Placement Notes**).

**CERTAIN ISSUES OF NOTES MAY NOT BE SUITABLE INVESTMENTS FOR ALL INVESTORS. NO INVESTOR SHOULD PURCHASE A NOTE UNLESS SUCH INVESTOR UNDERSTANDS, AND IS ABLE TO BEAR, THE YIELD, MARKET, LIQUIDITY, STRUCTURE, REDEMPTION AND OTHER RISKS ASSOCIATED WITH SUCH NOTE. FOR FURTHER DETAILS, SEE THE SECTION HEADED “RISK FACTORS” HEREIN.**

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes. The risk factors identified in this Base Prospectus are provided as general information only and the Dealers and the Arranger disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

Subject as provided below, each of the Issuer and the Guarantor (each, a **Responsible Person** and, together, the **Responsible Persons**) accepts responsibility for the information contained in, or incorporated by reference into, this Base Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in, or incorporated by reference into, this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import. Each Supplement to this Base Prospectus will contain a statement to this effect by and in relation to the Issuer.

The information in respect of Solentis Investment Solutions PCC (the **Preference Share Issuer**) consists of extracts from or summaries of information that is publicly available in respect of the Preference Share Issuer. The Issuer and the Guarantor each confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain, no facts have been omitted which would render the reproduced inaccurate or misleading

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by applicable Final Terms which specify that offers may be made other than pursuant to article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is

made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

Copies of the Final Terms will be available free of charge from the head office of each of Societe Generale and Codeis Securities SA and the specified office of each of the Paying Agents (as defined below), in each case at the address given at the end of this Base Prospectus (provided that Final Terms relating to Private Placement Notes or Short Term Notes which are not publicly offered in Luxembourg will only be available for inspection by a holder of such Notes upon production of evidence satisfactory to the Issuer or Paying Agent as to its holding of such Private Placement Notes or, as the case may be, Short Term Notes and its identity). In the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange or offered to the public, the Final Terms will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

Neither the Trustee nor any Dealer has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Dealer or the Trustee as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by either of the Issuer or the Guarantor. Neither the Trustee nor any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by either of the Issuer or the Guarantor in connection with the Programme or the Notes.

No person is or has been authorised by any of the Issuer, the Guarantor, the Arranger or any Dealer to give any information or to make any representation other than those contained in or consistent with this Base Prospectus and the relevant Final Terms or any other information supplied in connection with the Programme or in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the Guarantor, the Arranger or any Dealer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or a statement of opinion (or a report on either of those things) by any of the Issuer, the Guarantor, the Trustee, the Arranger or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or the Notes should purchase any Notes. Purchasers of Notes and each investor contemplating purchasing any Notes should conduct such independent investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness or value (as appropriate), of the Issuer and, if applicable, the Guarantor, the Notes and the security arrangements relating to the Charged Assets as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Purchasers of Notes and each investor contemplating purchasing any Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus and the relevant Final Terms (if any) and the merits and risks of investing in the Notes in the context of their financial position and circumstances. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of any of the Issuer, the Guarantor, the Trustee, the Arranger or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication (i) that there has been no change in the affairs of the Issuer and/or the Guarantor (as applicable) since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or (ii) that there has been no adverse change in the financial position of the Issuer and/or the Guarantor (as applicable) since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or (iii) that the information contained herein concerning any of the Issuer or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

None of the Dealers or the Arranger undertakes to review the financial condition or affairs of any of the Issuer or the Guarantor during the life of the arrangements contemplated by this Programme or to advise any investor or potential investor in the Notes of any information coming to its attention.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of any Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Trustee and the Dealer(s) represents that this Base Prospectus may be lawfully distributed, or that any Notes 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 offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor, the Trustee or the Dealer(s) which is intended to permit a public offering of any Notes outside the EEA, a public offering of Short Term Notes outside Luxembourg or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes 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 Note comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are certain restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in Belgium, the EEA, France, Italy, Japan, Luxembourg, Spain, the United Kingdom and the United States (see the section headed "*Subscription, Sale and Transfer Restrictions*").

## U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs that are also QPs for informational use solely in connection with the consideration of the purchase of any Registered Notes (other than Non-U.S. Registered Notes (as defined below)) being issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the **Code**) and the U.S. Treasury regulations promulgated thereunder.

The Notes and any Guarantee have not been and will not be registered under the Securities Act, or under any state securities laws and none of the Issuer, the Guarantor or any Compartment has registered or will register as an investment company under the Investment Company Act. Accordingly, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S, each a **U.S. Person** and together **U.S. Persons**) except (other than in relation to Permanently Restricted Notes) pursuant to an exemption from the registration requirements of the Securities Act in a transaction that will not cause the Issuer, the Guarantor or any Compartment, as the case may be, to become required to register under the Investment Company Act.

Permanently Restricted Notes (as defined below) may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person, and may not be legally or beneficially owned at any time by any U.S. Person and accordingly are only being offered and sold outside the United States to persons that are not U.S. Persons. By its purchase of a Note (other than a Permanently Restricted Note), each Purchaser will be deemed to have agreed that it may not resell or otherwise transfer the Note held by it except (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person that is a QP reasonably believed by the seller to be a QIB, purchasing for its own account or for the account of a QIB that is also a QP in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws.

By its purchase of a Permanently Restricted Note, each Purchaser will be deemed to have agreed that it may not resell or otherwise transfer any Permanently Restricted Note held by it except outside the United States in an offshore transaction to a person that is not a U.S. Person.

Any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made in respect of any Non-U.S. Registered Notes, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised. As used herein, **Non-U.S. Registered Notes** means Registered Notes sold exclusively outside the United States to non-U.S. Persons in reliance on Regulation S and permanently restricted from sale, transfer or delivery in the United States or to a U.S. Person and **Permanently Restricted Notes** means Non-U.S. Registered Notes and Uncertificated Notes which are designated in the applicable Final Terms to be Permanently Restricted Notes.

Registered Notes (other than Non-U.S. Registered Notes) may be offered or sold in the United States only to QIBs that are also QPs in transactions exempt from the registration requirements of the Securities Act and that will not require the Issuer, the Guarantor or any Compartment to register under the Investment Company Act. By its purchase of a Registered Note, each Purchaser will be deemed or required, as the case may be, to have agreed that it may not resell or otherwise transfer any such Note held by it except (i) to the Issuer or any affiliate thereof, (ii) to a person inside the United States or outside the United States to a U.S. Person that is a QP reasonably believed by the seller to be a QIB, purchasing for its own account or for the account of a QIB that is also a QP in a transaction meeting the requirements of Rule 144A, (iii) outside the United States to a non-U.S.

Person in compliance with Rule 903 or Rule 904 under the Securities Act, or (iv) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws.

Each Purchaser or holder of Notes represented by a Rule 144A Global Note or a Combined Global Note (each as defined in the section headed “*Terms and Conditions of the Notes*”) or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) and each Purchaser or holder of Permanently Restricted Notes will be deemed, by its acceptance or purchase of any such Legended Notes or Permanently Restricted Notes, or required, as the case may be, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in the section headed “*Subscription, Sale and Transfer Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in the section headed “*Form of the Notes*”.

The Notes and any Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission (the **SEC**), any U.S. State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or any Guarantee or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **CIRCULAR 230 DISCLOSURE**

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE US INTERNAL REVENUE SERVICE, ANY TAX DISCUSSION HEREIN WAS NOT WRITTEN AND IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY TAXPAYER FOR PURPOSES OF AVOIDING US FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES DESCRIBED HEREIN. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

#### **AVAILABLE INFORMATION**

To permit compliance with Rule 144A in connection with any resales or other transfers of Registered Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer and the Guarantor (in respect of any Guarantee only) have undertaken in the Trust Deed to furnish, upon the request of a holder of such Registered Notes or any beneficial interest therein, to such holder or to a prospective Purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, each of the Issuer or the Guarantor (in respect of any Guarantee only) is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer and the Guarantor are corporations organised under the laws of Luxembourg and France respectively (each a **Relevant Jurisdiction**). All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process in connection with a cause of action under the laws of a jurisdiction other than England and Wales outside the Relevant Jurisdiction upon the Issuer, the Guarantor or such officers and directors, or to enforce judgments against them obtained in courts outside the Relevant Jurisdiction predicated upon civil liabilities of the Issuer, the Guarantor or such officers and directors under laws other than those of the Relevant Jurisdiction, including any judgment predicated upon United States federal securities laws.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### *Presentation of Financial Information in respect of the Issuer*

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited financial statements of the Issuer for the financial years ended 2010 and 2011 (together, the **Issuer Financial Statements**).

The Issuer's accounting year ends on 31 December, and references in this Programme to any specific year are to the 12-month period ended on 31 December of such year. The Issuer Financial Statements have been prepared in accordance with generally accepted accounting principles in Luxembourg which differ in certain important respects from generally accepted accounting principles in the United States (**U.S. GAAP**).

### *Presentation of Financial Information in respect of the Guarantor*

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Guarantor has been derived from the audited consolidated financial statements of the Guarantor for the financial years ended 2010 and 2011 (together, the **Guarantor Financial Statements**).

The Guarantor's accounting year ends on 31 December, and references in this Programme to any specific year are to the 12-month period ended on 31 December of such year. The Guarantor Financial Statements have been prepared in accordance with International Financial Reporting Standards.

## STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the **Stabilising Manager(s)**) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## INTERPRETATION

All references in this Base Prospectus and any applicable Final Terms to:

- (i) (including but without limitation) **U.S. dollar**, **U.S. cent**, **U.S.\$**, or **USD** refer to the lawful currency for the time being of the United States of America, those to **Pound sterling**, **£**, **GB pence** or **GBP** refer to the lawful currency for the time being of the United Kingdom, those to **Australian dollar** and **A\$** or **AUD** refer to the lawful currency for the time being of Australia, those to **Swiss Francs** or **CHF** refer to the



lawful currency for the time being of Switzerland and those to **euro, Euro, EUR** and **€** refer to the lawful currency of the European economic and Monetary Union;

- (ii) capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus;
- (iii) certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them; and
- (iv) references to a billion are to a thousand million.

#### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's and/or the Guarantor's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*", "*Description of Codeis Securities SA*" and "*Description of the Guarantor*" and other sections of this Base Prospectus. The Issuer and the Guarantor have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Issuer and the Guarantor believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer and the Guarantor has otherwise identified in this Base Prospectus, or if any of the Issuer's and the Guarantor's underlying assumptions prove to be incomplete or inaccurate, the Issuer's and the Guarantor's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

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## SUMMARY OF THE PROGRAMME

This Summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (but not including any amendment thereto pursuant to the 2010 PD Amending Directive) in each Member State of the European Economic Area (EEA), no civil liability will attach to the Issuer or the Guarantor (each a **Responsible Person** and together the **Responsible Persons**) in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the EEA, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in the sections headed “*Form of Notes*” and “*Terms and Conditions of the Notes*” of this Base Prospectus shall have the same meanings in this Summary.

### Issuer

#### Codeis Securities SA

Codeis Securities SA is a public limited liability company (*société anonyme*), was incorporated on 27 February 2008, is authorised and supervised as a regulated securitisation undertaking by the *Commission de surveillance du secteur financier* (CSSF) and is registered with the Luxembourg trade and companies register under number B.136.823.

Codeis Securities SA's registered office is located at 26, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg.

The purpose and object of Codeis Securities SA pursuant to its Articles of Incorporation is to enter into, perform and serve as a vehicle for, any securitisation transactions permitted under the Securitisation Act 2004.

Codeis Securities SA has no subsidiaries.

All the shares in Codeis Securities SA but one are held by Societe Generale.

### Guarantor

**Societe Generale**, if applicable and specified in the applicable Final Terms (or such other or further guarantor specified in the applicable Final Terms which has acceded to the Trust Deed as a guarantor).

Société Générale is a public limited company (*société anonyme*) established under French law incorporated by deed approved by Decree on May 4, 1864, and is approved as a bank.

The duration of Société Générale, previously fixed at 50 years with effect from January 1, 1899, was then extended by 99 years with effect from January 1, 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code that apply to them, Société Générale is subject to the commercial laws, in particular articles L. 210-1 and following of the French Commercial Code as well as its current by-laws.

Société Générale's registered office is at 29, boulevard Haussmann, Paris,

75009.

In accordance with current legislative and regulatory provisions, it may be transferred to any other location.

The purpose of Société Générale is, under the conditions determined by the laws and regulations applicable to credit institutions, to carry out with individuals and corporate entities, in France or abroad:

- all banking transactions;
- all transactions related to banking operations, including in particular, investment services or allied services as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code;
- all acquisitions of interests in other companies.

Société Générale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Société Générale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, security or property transactions, directly or indirectly related to the abovementioned activities or likely to facilitate the accomplishment of such activities.

Société Générale is registered in the "*Registre du Commerce et des Sociétés*" of Paris under number 552 120 222 RCS Paris.

Société Générale and its consolidated subsidiaries (*filiales consolidées*) taken as a whole are hereinafter referred to as the **Société Générale Group** or the **Group**.

**Arranger**

Societe Generale

**Dealers**

Societe Generale and any other Dealers appointed in accordance with the Programme Agreement.

**Description**

Limited Recourse Notes Programme

Shares will not be issued under this Base Prospectus.

**Compartments, Charged Assets and Compartment Assets**

Notes will be issued in Series (as defined in the section headed "*Terms and Conditions of the Notes*"). In accordance with the Securitisation Act 2004, the board of directors of the Issuer is entitled to create one or more Compartments. In respect of any Series of Notes, **Compartment** shall mean the compartment under which such Notes are issued. Each Compartment will comprise a pool of assets and liabilities separate from the pools of assets and liabilities relating to any other Compartments. In respect of any Series of Notes, and any Related Notes (as defined below), Charged Assets (as defined in Condition 8(d) (*Security*)) shall include, *inter alia*, the Compartment Assets described in the applicable Final Terms. The Issuer may issue one or more Series of Notes per Category A

Compartment or Category B Compartment (each as described below).

The Charged Assets are available exclusively to satisfy the claims of the Secured Parties (as defined in Condition 8(f) (*Application of Proceeds*)).

The Compartment Assets may include, without limitation, participations, rights and interests in, and obligations of, Luxembourg and non-Luxembourg companies, stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or non-Luxembourg mutual funds or similar undertakings and exchangeable or convertible securities) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, in each case, assigned to or acquired by the Issuer, the Issuer's rights under any Related Agreement(s) (as defined below) or any other assets specified in the applicable Final Terms. The term "Compartment Assets" does not include the Supplementary Assets (as defined below) (if any).

As more fully described in Condition 8(g) (*Replacement of Compartment Assets*) and Condition 8(h) (*Addition or Removal of Compartment Assets*), the Compartment Assets Manager, on behalf of the Issuer, may from time to time and subject to certain restrictions alter the composition of the Compartment Assets.

The Securitisation Act 2004 provides that if the Compartment Assets comprise any shares, partnership interests or bonds providing the holder thereof with rights similar to those of a shareholder or a partner (any such bonds, **Similar Bonds**), (i) the Issuer must finance the acquisition of these Compartment Assets by way of an issue of Notes the yield of which depends on the payments received by the Issuer under the shares, partnership interests or Similar Bonds and (ii) the Issuer must not substitute these Compartment Assets on a regular basis, and the Issuer must assume a passive role in respect of the investment in these Compartment Assets (in the sense that the instructions concerning the exercise of the rights attaching to the shares, partnership interests or Similar Bonds should come from the investors in the Notes or the Trustee (as defined below) or a third party) and (iv) the Issuer must comply with all other applicable laws or regulations applying in connection with the acquisition of these Compartment Assets.

#### **Supplementary Assets**

The board of directors of the Issuer has also created a compartment which will be referred to herein as the **Category X Compartment**. To the extent that the Category X Compartment contains any assets (including, without limitation, any cash standing to the credit of the Category X Account, as defined in Condition 8(c)(iii)) (any such assets, **Supplementary Assets**), such Supplementary Assets (A) shall constitute a pool of assets separate from the Charged Assets relating to any Notes and (B) shall be held by the Custodian on behalf of the Issuer, subject to the provisions of the Securitisation Act 2004. Save as otherwise provided in the Conditions, the Supplementary Assets Manager (as defined in Condition 8(b) (*Supplementary Assets*)) on behalf of the Issuer, shall be free to change the composition of the Supplementary Assets from time to time and without notifying any party.

If, in respect of any Series of Notes issued under a Category B

Compartment (**Category B Notes**), the net proceeds of the enforcement or liquidation of the Charged Assets are not sufficient to satisfy all outstanding claims in respect of such Series of Category B Notes, the relevant holders of such Series of Category B Notes shall be entitled to share equally and rateably among themselves (subject to Condition 8(b)(vi)) in the Available Supplementary Assets (as defined below) (if any) to the extent of any such shortfall (a **Charged Assets Shortfall**). In the event of a Charged Assets Shortfall, the Trustee or any Receiver (as defined in the Trust Deed) shall promptly notify the Custodian and the Issuer of the amount of such Shortfall (such notice, a **Charged Assets Shortfall Notice**), whereupon the Issuer (or the Custodian on its behalf) shall (i) promptly provide details to the Trustee (and any Appointee (as defined in the Trust Deed)) of any Supplementary Assets available at such time (such Supplementary Assets, the **Available Supplementary Assets**) and (ii) transfer such Available Supplementary Assets to the Trustee (or any Appointee) to the extent of the Charged Assets Shortfall in such manner as may be requested by the Trustee or such Appointee. The Trustee or such Appointee shall thereafter use reasonable endeavours to realise such Available Supplementary Assets in accordance with Condition 12 (*Enforcement and Realisation*) and thereafter apply the proceeds of realisation thereof in the manner contemplated in Condition 8(b) (*Supplementary Assets*).

If the Notes are Category B Notes and a Note Acceleration occurs, neither the Issuer nor the Supplementary Assets Manager, nor any person acting on behalf of the Issuer or the Supplementary Assets Manager, shall be entitled to remove any Supplementary Assets contained in the Category X Compartment from the time of such Note Acceleration until such time as all the claims of the Noteholders have been satisfied or extinguished (as applicable) pursuant to Condition 8(i) (*Residual Shortfall*), as notified in writing to the Issuer and the Custodian by the Trustee or any Appointee.

If, at any time, Charged Assets Shortfalls have occurred and are continuing in connection with (A) a Series of Category B Notes and any Related Notes (together, **Principal Notes**) and (B) one or more Series of Category B Notes issued by the Issuer under another Category B Compartment (each Series thereof, **Other Notes**), the Available Supplementary Assets at that time will be applied separately in respect of the Principal Notes and each such other Series of Other Notes in the order in which the relevant Charged Assets Shortfalls arose, provided that if (x) Charged Assets Shortfalls occur on the same day under the Principal Notes and one or more Series of Other Notes or (y) Charged Assets Shortfalls occur on the same day under a Series of Category B Notes and one or more Series of Related Notes, then, in each case, the relevant Charged Assets Shortfalls shall be aggregated and treated as a single Charged Assets Shortfall for the purposes of the application of the Available Supplementary Assets in accordance with Condition 8(b)(ii). For the purposes of Condition 8(b) (*Supplementary Assets*), a Charged Assets Shortfall shall be deemed to “occur” upon the giving of the relevant Charged Assets Shortfall Notice by the Trustee.

The Issuer gives no assurance that the Category X Compartment will at any time contain Supplementary Assets and may, except as provided in the Conditions, alter the composition of, or remove entirely, any Supplementary Assets without notifying any person (including, without limitation, the Trustee and the Noteholders). Further, in the event that the Category X

Compartment does contain Supplementary Assets at the time of any Charged Assets Shortfall(s), the Issuer gives no assurance that such Supplementary Assets will be sufficient to meet the claims of the holders of the relevant Series of Category B Notes.

Neither the Secured Parties (other than the Noteholders in respect of any Compartment (including a Category B Compartment)) nor the holders of any Series of Notes issued under a Category A Compartment will have recourse to the Supplementary Assets (if any).

The Supplementary Assets will be acquired with funds raised by the issuance of Class P shares in the Issuer.

**Related Agreements**

In connection with the operation of any Compartment, the board of directors of the Issuer may decide to enter into one or more Related Agreements, which may include, without limitation, one or more option agreements, interest rate and/or currency and/or other derivatives agreements, and/or one or more credit support documents.

**Security**

Subject as provided in the applicable Final Terms, each Series of Notes and any Related Notes will have the benefit of the Security described in Condition 8(d) (*Security*).

**Secured Parties**

Only the Secured Parties will be (i) entitled to share in the proceeds of the Charged Assets and (ii) entitled to the benefit of any Security as specified in the applicable Final Terms.

**Order of Priority**

The claims of the holders of the Notes of any Series, and any Related Notes, and of the other Secured Parties entitled to the benefit of the Security created in respect of the relevant Compartment (as specified in the applicable Final Terms and the Trust Deed), shall rank in accordance with the Order of Priority specified in the applicable Final Terms.

**Trustee**

SG Hambros Trust Company (Channel Islands) Limited and (i) any successor or (ii) any other person named in the applicable Final Terms as trustee (and, in the case of (ii), appointed pursuant to a trust deed between the Issuer, the Guarantor and such person).

**Issuing and Paying Agent,  
Registrar, Exchange Agent and  
Transfer Agent**

Societe Generale Bank & Trust

**Paying Agents**

Societe Generale; Societe Generale, New York Branch; Societe Generale Bank & Trust and/or any such additional or successor paying agent appointed in accordance with Condition 15 (*Issuing and Paying Agent and Paying Agents*).

In respect to SIS Notes, Societe Generale, Paris, Zurich Branch shall act as Principal Swiss Paying Agent, together with further additional Swiss Paying Agents which may be specified in the applicable Final Terms.

In respect of Swedish Notes, the agent specified in the applicable Final Terms.

**Custodian**

Societe Generale Bank & Trust. One or more sub-custodians may be appointed in relation to the Compartment Assets and, if applicable, in relation to the Supplementary Assets (if any). The Issuer reserves the right

at any time with the prior written consent of the Trustee to change the Custodian in accordance with the provisions of the Securitisation Act 2004, the relevant CSSF instructions and/or guidelines and Condition 8(c) (*Custodian; Deposit Account*).

**Compartment Assets Manager and Supplementary Assets Manager**

The Issuer has appointed Societe Generale as the Compartment Assets Manager to manage the Compartment Assets pursuant to an agreement entered into between, *inter alios*, the Issuer and Societe Generale (the **Collateral Management Agreement**).

The Issuer has appointed Societe Generale as the Supplementary Assets Manager to manage the Supplementary Assets (if any), pursuant to the Collateral Management Agreement.

**Voting Agent**

Societe Generale was appointed by the Issuer as the Voting Agent in relation to the Compartment Assets pursuant to an agreement entered into between, *inter alios*, the Issuer and Societe Generale (the **Voting Agency Agreement**) or such other or further voting agent as specified in the applicable Final Terms.

**Disposal Agent**

Societe Generale was appointed by the Issuer, the Compartment Assets Manager and the Supplementary Assets Manager as the Disposal Agent pursuant to an agreement entered into between, *inter alios*, the Issuer and Societe Generale (the **Disposal Agency Agreement**).

At any time after an insolvency of Société Générale, the Disposal Agency Agreement contains provisions for an alternative disposal agent to be appointed.

Under the Disposal Agency Agreement, the Disposal Agent may dispose of all or some of the Charged Assets relating to each Series of Notes issued under the Programme where such Charged Assets are to be sold in accordance with the Conditions.

**Market Maker**

The Issuer may appoint Societe Generale as a market maker (in such capacity the **Market Maker**) with the purpose of ensuring a secondary market in the Notes. Such appointment is made pursuant to a repurchase agreement entered into between the Issuer and the Market Maker (the **Repurchase Agreement**). Under the Repurchase Agreement, the Issuer has undertaken to purchase Notes which the Market Maker holds through purchases which it has made in the market in the course of its market making activities, subject to and in accordance with the provisions of such agreement.

**Corporate Services Agent**

Société Générale Securities Services Luxembourg acts as administrative and corporate agent of the Issuer pursuant to the terms of the administrative and corporate agent agreement dated 1 September 2008.

**Risk Factors**

There are certain factors that may affect each of the Issuer's and, if applicable, the Guarantor's ability to fulfil its obligations with respect to Notes issued under the Programme. These are set out in the section headed "*Risk Factors*".

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and in relation to the global financial crisis generally (see the



section headed “*Risk Factors*”). Investors may lose the value of their entire investment in the Notes or part of it.

The Issuer may update such risk factors from time to time in any supplement to this Base Prospectus.

Risk factors specific to a particular Series of Notes may also appear in the applicable Final Terms.

Prospective investors should consult their own professional advisers concerning any risks to the extent they consider necessary.

Risks relating to Notes depend on their features and may include the following, all of which are more fully described in “*Risk Factors*”: (i) any optional redemption of the Notes by the Issuer where such a feature is applicable, (ii) limited and/or volatile market value of the Notes, (iii) redemption when reinvestment circumstances are not advantageous for a Noteholder, (iv) reduced or no payment of interest, (v) payment of principal or interest at a different time or in a different currency than expected and/or (vi) loss of all or part of a Noteholder’s initial investment or anticipated return on such investment which may be due to the Notes (or the payment of principal or interest under the Notes) being (a) subject to optional redemption by the Issuer, (b) determined by reference to an index, formula, asset or other reference factor (such as securities, commodities, fund units, exchange rates, a specified preference share of the Preference Share Issuer (as defined herein), a specified warrant of the Warrant Issuer (as defined herein), etc.), (c) payable in various currencies, (d) payable, as to their issue price, in instalments, (e) subject to caps, floors, leverage or other factors or any combination thereof, (f) subject to an inverse floating rate of interest, (g) subject to a fixed-to-floating (or floating-to-fixed) rate of interest, (h) payments of principal or interest being linked to the occurrence or non-occurrence of certain events beyond the control of the Issuer and, if applicable, the Guarantor such as credit, weather or sporting events, (i) issued at a discount to or premium from their principal amount and/or (j) subject to decreases in interest or principal payable depending on changes in the creditworthiness of a reference entity or reference obligation.

Other risks relating to the Notes include (i) binding decisions of meetings of Noteholders, (ii) no payment of additional amounts (in certain circumstances) in relation to taxes withheld from payments under the Notes, (iii) changes in law, (iv) lack of a liquid secondary trading market for the Notes, (v) Noteholders receiving payments in currency other than that of their financial activities, (vi) changes in interest rates, (vii) in relation to any issue of Notes which have a minimum denomination and are tradable in the clearing systems in amounts above such minimum denomination which are smaller than it, an investor not receiving all of its entitlement if definitive Notes are issued, (viii) credit ratings not reflecting all risks relating to the Notes, (ix) certain investors being subject to laws and regulations or review or regulation by certain authorities, (x) the fact that the Notes may not be a suitable investment for all investors and/or (xi) the fact that the Notes may be subject to certain transfer restrictions, including forced transfer provisions if those restrictions are breached.

The Issuer is established as a *société de titrisation* within the meaning of

the Securitisation Act 2004 which provides that claims against the Issuer by the Secured Parties will, in principle, be limited to the net assets of the relevant series included in the relevant Compartment, save as provided in Condition 8(b) (*Supplementary Assets*) with respect to Category B Notes. Accordingly, in respect of any Compartment and any Note (the **Relevant Note**), and following a Note Acceleration in respect of the Relevant Note, the entitlement of the holder of the Relevant Note as against the Issuer will be limited: (i) in the case of any Category A Compartment, to such Noteholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms; and (ii) in the case of any Category B Compartment, to such Noteholder's *pro rata* share of the proceeds (as aforesaid) and, in the case of any Charged Assets Shortfall, the Supplementary Assets (if any). If, in respect of any Relevant Note, the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets applied as aforesaid are not sufficient to make all payments due in respect of the Relevant Note in accordance with the Order of Priority specified in the applicable Final Terms, then, without prejudice to the rights of the Trustee held for the benefit of holders of Guaranteed Notes under the Guarantee, (i) no other assets of the Issuer will be available to meet such Residual Shortfall Amount; (ii) the claims of the holder of the Relevant Note as against the Issuer in respect of any such Residual Shortfall Amount shall be extinguished and (iii) neither the holder of a Note nor any person on its behalf shall have the right to petition for the winding-up of the Issuer as a consequence of any such Residual Shortfall Amount or otherwise. Noteholders, by acquiring the Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions with respect to limited recourse, non-petition, subordination and priority of payments.

**Programme Size**

€100,000,000,000 (or its equivalent in other currencies calculated on the Agreement Date as defined in the Programme Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Distribution**

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Form of Notes**

Each Tranche of Notes (as defined in the section headed "*Terms and Conditions of the Notes*") specified in the applicable Final Terms to be governed by English law will be either Bearer Notes (with or without interest coupons attached) issued outside the United States in reliance on Regulation S or Registered Notes (without interest coupons attached) issued outside the United States in reliance on the exemption from registration provided by Regulation S and/or within the United States in reliance on Rule 144A under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. Persons, except in transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Treasury regulations promulgated thereunder.

Bearer Notes will on issue be represented by either a temporary Bearer Global Note or a permanent Bearer Global Note as specified in the

applicable Final Terms. Temporary Bearer Global Notes will be exchangeable either for (a) interests in a permanent Bearer Global Note or (b) Bearer Definitive Notes, as indicated in the applicable Final Terms. Each Series of Swedish Notes will be represented on issue by a Permanent Bearer Global Note. Permanent Bearer Global Notes will be exchangeable for Bearer Definitive Notes only upon the occurrence of an Exchange Event as described in the section headed "*Form of the Notes*".

Registered Notes will on issue be represented by a Registered Global Note which will be exchangeable for Registered Definitive Notes in certain circumstances set out in such Registered Global Note.

Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Special procedures apply to SIS Notes and EUI Notes (see the section headed "*Form of the Notes*").

In respect of dematerialised CREST depository interests (**CDIs**), investors will hold CDIs constituted and issued by CREST Depository Limited and representing indirect interests in the Notes. The CDIs will be issued and settled through CREST.

Neither the Notes nor any rights thereto will be issued, held, transferred or settled within the CREST system otherwise than through the issue, holding, transfer and settlement of CDIs.

Holders of CDIs will not be entitled to deal directly in Notes and accordingly all dealings in the Notes will be effected through CREST in relation to holding of CDIs.

## **Terms of Notes**

Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Notes may be denominated in any agreed currency and with any agreed maturity, subject to any applicable legal or regulatory restrictions and any requirements of the relevant central bank (or equivalent body).

The terms of the Notes will be specified in the applicable Final Terms. In addition to any other form of Notes agreed by the Issuer and the relevant Purchaser(s), the following types of Note may be issued: (i) Fixed Rate Notes; (ii) Partly Paid Notes; (iii) Floating Rate Notes; (iv) Index Linked Notes (including, without limitation, Equity Linked Notes, Fund Linked Notes, Credit Linked Notes, Managed Assets Portfolio Linked Notes, Commodity Linked Notes, Preference Share Linked Notes or Warrant Linked Notes); (v) Dual Currency Notes; (vi) Physical Delivery Notes; (vii) Zero Coupon Notes; and (viii) Fixed/Floating Rate Notes.

Interest periods, rates of interest and the terms of and/or amounts payable on redemption may differ depending on the Notes being issued and such terms will be specified in the applicable Final Terms.

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes (if Physical Delivery Notes) may be settled at maturity or otherwise by receipt by the holder(s) of a cash amount and/or by delivery of

the relevant Underlying Assets (specified in the applicable Final Terms) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Short Term Notes are subject to certain restrictions on their denomination and distribution.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Purchaser(s) as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

#### **Taxation**

All payments in respect of the Notes and the Guarantee will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction unless such withholding is required by law. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor, will, save in certain limited circumstances provided in Condition 9 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

All payments in respect of the Notes and the Guarantee will be made subject to any withholding or deduction required pursuant to FATCA, as provided in Condition 6(c) (*Payments Subject to Fiscal and Other Laws*).

#### **Restrictions**

So long as any of the Notes remains outstanding, the Issuer will not, without the prior written consent of the Trustee, incur any indebtedness for moneys borrowed or raised other than in respect of Permitted Instruments or Permitted Indebtedness, engage in any activity other than certain activities related to the Notes or any Permitted Instrument or Permitted Indebtedness or consolidate or merge with any other person, all as more fully described in Condition 4 (*Restrictions*).

#### **Events of Default**

- (a) In respect of any Series of Notes, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate principal amount of Notes of such Series then outstanding or if so directed by an Extraordinary Resolution of such holders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer and, if applicable, the Guarantor that such Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (such occurrence, a **Note Acceleration**) upon the occurrence of any of the following events (each an **Event of Default**):
- (i) a default is made for a period of 30 days or more in the payment of any sum due or the delivery of Underlying Assets deliverable in respect of the Notes of such Series; or

- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes of such Series or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 60 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (iii) in respect of any other Series of notes issued under the same Compartment as the Notes (such other Series of notes, the **Related Notes**), a “Note Acceleration” (as defined under the terms and conditions of such Related Notes) occurs; or
- (iv) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of Notes of such Series; or
- (v) the Issuer is in a state of cessation of payments (*cessation de paiements*) and has lost its commercial creditworthiness (*ébranlement de crédit*); or
- (vi) in the case of Guaranteed Notes (as specified in the applicable Final Terms), the Guarantee ceases to be in full force and effect in respect of the Notes of such Series, or notice is given by the Guarantor which would cause the Guarantee to cease to be in full force and effect in respect of such Notes of such Series, or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the Notes of such Series, or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the Noteholders of such

Series, or the Guarantor is unable to perform its obligations thereunder for any reason.

- (b) If an Event of Default occurs by virtue of the operation of Condition 11(a)(iii): (A) a Note Acceleration for the purposes of the Notes shall be deemed to have occurred at the same time as the Note Acceleration (as such expression is defined in the terms and conditions of the relevant Related Notes) occurred for the purposes of the relevant Related Notes; and (B) the Security constituted by or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document shall become enforceable as described in Condition 12 (*Enforcement and Realisation*).
- (c) Each of the Issuer and, in relation to (i) below only, the Guarantor has severally undertaken in the Trust Deed that (in relation to each Series), so long as any of the Notes of that Series remains outstanding, it will give to the Trustee (i) within seven days after demand by the Trustee therefor and (ii) (without the necessity for any such demand) promptly, and in any event not later than 180 days after each anniversary of the date of such Trust Deed, a certificate signed by a Director (in the case of the Issuer) or an authorised signatory (in the case of the Guarantor, if applicable) to the effect that, as at a date not more than seven days before delivering such certificate (the **relevant date**), there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate, the Issue Date of the relevant Series) any Event of Default or any Potential Event of Default (with respect to Condition 11(a)(vi) only in the case of the certificate of the Guarantor) in relation to such Series (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or, in the case of the first such certificate, the Issue Date of the relevant Series) to and including the relevant date of such certificate, each of the Issuer and, if applicable, the Guarantor has complied with all its obligations in relation to such Series contained in the Trust Deed (in relation to the Guarantee only in the case of the certificate of the Guarantor) or (if such is not the case) specifying the respects in which it has not so complied.
- (d) The Trust Deed provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default (as defined in the Trust Deed) has occurred or is continuing.

**Status of the Notes and the Guarantee and Limitations on Recourse**

The Notes of each Series will be secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves (unless otherwise specified in the relevant Final Terms) and secured in the manner described in the section headed "*Terms and Conditions of the Notes*" and the applicable Final Terms.

The Guarantee, if applicable, constitutes an unsecured, unsubordinated and general obligation of the Guarantor and ranks and will rank (i) *pari passu* with all other existing and future unsecured, unsubordinated and general obligations of the Guarantor, including those in respect of deposits,

but excluding any debts for the time being preferred by law and (ii) senior to any subordinated obligations.

Recourse in respect of any Series of Notes and any Related Notes will be limited to (i) the Charged Assets and, in the event of a Charged Assets Shortfall in the case of any Series of Category B Notes, the Supplementary Assets (if any) and (ii) if applicable, recourse under the Guarantee in relation to any Guaranteed Shortfall Amount (on the terms set out therein and in the applicable Final Terms).

#### **Guarantee**

If the Notes are Guaranteed Notes (as defined in Condition 3 (*Status of the Notes and the Guarantee; Guaranteed Notes*)) as specified in the applicable Final Terms, and subject to the satisfaction of the conditions set out therein and in the relevant provisions of the Trust Deed (which are referred to herein as the **Guarantee**), Societe Generale (in such capacity, the **Guarantor**), pursuant to the Trust Deed, will unconditionally and irrevocably guarantee to the Trustee for the benefit of each Holder that, if following the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets in accordance with Condition 12 (*Enforcement and Realisation*), the net proceeds of such enforcement or liquidation are not sufficient to make all payments due in respect of the Relevant Note in accordance with the Order of Priority specified in the applicable Final Terms, the Guarantor will as soon as reasonably practical and in any event not later than ten Business Days after a demand has been made on the Guarantor by the Trustee (without requiring the Trustee first to take steps against the Issuer or any other person) pay an amount equal to the difference between the Market Value of the Notes (as defined in Condition 7(g)(v)) and the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets received by the Holders of such Notes in accordance with the Order of Priority specified in the applicable Final Terms (such amount being the **Guaranteed Shortfall Amount**) in the currency in which such Guaranteed Shortfall Amount is payable in immediately available funds as though the Guarantor were the principal obligor in respect of such obligation.

The Guarantee is contingent upon, and the Guarantor shall only be obliged to make any payment of the Guaranteed Shortfall Amount following, the completion of the enforcement or liquidation in full of the relevant Charged Assets and, as the case may be, the Supplementary Assets, in the manner set out in Condition 12 (*Enforcement and Realisation*).

The Guarantee shall not apply to any Series of Guaranteed Notes issued by the Issuer to the extent that, at the Issue Date of such Series of Notes, the sum of (A) the Aggregate Nominal Amount of such Series of Guaranteed Notes and (B) the sum of the Aggregate Nominal Amounts of each Series of Guaranteed Notes issued by the Issuer and outstanding on such Issue Date, in each case, converted into euro at the relevant spot rate of exchange on such Issue Date, is equal to an amount which exceeds EUR 5,000,000,000.

#### **Use of Proceeds**

The net proceeds of each Series of Notes and any Related Notes will be used to acquire directly, or indirectly, the assets which will comprise the Charged Assets, to enter into any agreement (including, without limitation, any Related Agreement) in connection with such Notes and/or to pay expenses or other amounts in connection with the administration of the

Issuer and/or the Notes. If, in respect of any Series of Notes, there is a particular identified use of proceeds, in addition to or other than the foregoing, this will be stated in the applicable Final Terms.

#### **Rating**

The Programme has no rating. If any issue of Notes under the Programme is to be rated, the rating of such Notes will be specified in the applicable Final Terms.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended by Regulation (EU) No. 513/2011, the **CRA Regulation**) will be disclosed in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

#### **Approval, Listing and admission to trading**

Application has been made to the CSSF in its capacity as competent authority under the Prospectus Act 2005 to approve this document as a base prospectus for the purposes of article 5.4 of the Prospectus Directive. Such application does not extend to money market instruments (as defined in the Prospectus Directive) having a maturity of less than one year (any such notes, **Short Term Notes**). Short Term Notes do not fall within the scope of the Prospectus Directive or Part II of the Prospectus Act 2005 and do not benefit from the passporting provisions of the Prospectus Directive, as further described in the section headed "*Subscription, Sale and Transfer Restrictions*" for selling restrictions relating to Short Term Notes.

Application has also been made to the CSSF to approve this document as a base prospectus within the meaning of Part III, Chapter 1 of the Prospectus Act 2005 in respect of Short Term Notes. In addition application has also been made to the Luxembourg Stock Exchange for Notes (other than Short Term Notes) issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Purchaser in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

In particular, Notes (including EUI Notes) issued may be listed on the official list of the UK Listing Authority and admitted to trading on the London Stock Exchange.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

#### **Governing Law**

The Notes and, if applicable, the Guarantee, (including, in each case, any non-contractual obligations arising out of or in connection with them will be governed by, and will be construed in accordance with, English law.



**Selling Restrictions**

No Notes have been, and no Notes will be, registered under the Securities Act, and Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning ascribed to them by Regulation S under the Securities Act.

The Notes may be sold in other jurisdictions (including the United Kingdom, Italy and the Grand Duchy of Luxembourg) only in compliance with applicable laws and regulations.

Restrictions on the offer, sale and transfer of the Notes are set out in the section headed "*Subscription, Sale and Transfer Restrictions*".

Permanently Restricted Notes, or any interest therein, may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person.

**Securitisation Act 2004**

The Notes are issued subject to, and will be enforceable in Luxembourg in accordance with, the provisions of the Securitisation Act 2004 (as may be amended from time to time).

## GENERAL DESCRIPTION OF THE PROGRAMME

***The following general description 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 Terms and Conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer, the Guarantor and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.***

This General 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.

Words and expressions defined in the sections headed “*Terms and Conditions of the Notes*” and “*Form of the Notes*” shall have the same meanings in this General Description.

<b>Issuer</b>	Codeis Securities SA
<b>Guarantor</b>	Societe Generale, if applicable and specified in the applicable Final Terms (or such other or further guarantor specified in the applicable Final Terms who has acceded to the Trust Deed as a guarantor).
<b>Description</b>	Limited Recourse Notes Programme  Shares will not be issued under this Base Prospectus.
<b>Arranger</b>	Societe Generale
<b>Dealers</b>	Societe Generale  and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain Restrictions</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see the section headed “ <i>Subscription, Sale and Transfer Restrictions</i> ”) including the following restrictions applicable at the date of this Base Prospectus.

### ***Notes having a maturity of less than one year***

Short Term Notes (including such Notes denominated in sterling) will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or its equivalent in other currencies), see the section headed “*Subscription, Sale and Transfer Restrictions*”.

Under the Prospectus Act 2005, Short Term Notes do not fall within the scope of the Prospectus Directive and do not benefit from the passporting provisions of the Prospectus Directive, as further described in respect of the Notes (other than Short Term Notes).

<b>Trustee</b>	SG Hambros Trust Company (Channel Islands) Limited and (i) any successor or (ii) any other person named in the applicable Final Terms as trustee (and appointed pursuant to a trust deed between the Issuer, the Guarantor and such other person).
<b>Issuing and Paying Agent, Registrar, Custodian, Exchange Agent and Transfer Agent</b>	Societe Generale Bank & Trust
<b>Paying Agents</b>	<p>Societe Generale (Paris); Societe Generale, New York Branch; Societe Generale Bank &amp; Trust and/or any such additional or successor paying agent appointed in accordance with Condition 15 (<i>Issuing and Paying Agent and Paying Agents</i>).</p> <p>In respect of SIS Notes, Societe Generale, Paris, Zurich Branch, shall act as Principal Swiss Paying Agent, together with further Swiss Paying Agents which may be specified in the applicable Final Terms.</p>
<b>EUI Agent</b>	The agent appointed in accordance with the EUI Agency Agreement (if any).
<b>Distribution</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies</b>	Notes may be denominated in euro, Sterling, U.S. dollars and, subject to compliance with any applicable laws and regulations, any other currency as may be agreed between the Issuer and the relevant Purchaser(s) as indicated in the applicable Final Terms.
<b>Redenomination and/or Consolidation</b>	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 1 ( <i>Form, Denomination, Redenomination and Title</i> ) of the Terms and Conditions. Notes denominated in a currency that may be converted into euro may be subject to consolidation with other Notes denominated in euro.
<b>Maturities</b>	<p>Any maturity as indicated in the applicable Final Terms subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.</p> <p>Short Term Notes are subject to certain restrictions on their denomination and distribution (see "<i>Certain Restrictions - Notes having a maturity of less than one year</i>" above).</p>
<b>Issue Price</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price (expressed either (i) as a percentage of the Aggregate Nominal Amount or (ii) as an amount per Note of the relevant Specified Denomination) which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).
<b>Form of Notes</b>	The Notes may be issued in the forms described in the section headed " <i>Form of the Notes</i> ".
<b>Clearing Systems</b>	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the

Issuing and Paying Agent and the relevant Dealer(s).

**Initial Delivery of Notes**

If specified in the applicable Final Terms or before the issue date for each Tranche, the Bearer Global Note or the Registered Global Note may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depository for Euroclear and Clearstream, Luxembourg or if specified in the applicable Final Terms with a custodian for, and registered in the name of a nominee of, DTC, unless in the case of (a) any temporary Bearer Global Note or permanent Bearer Global Note, the Note is intended to be an NGN (as defined herein) or (b) any Registered Global Note, the applicable Final Terms indicated that such Note is intended to be a NSSRGN (as defined herein) in which case it will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Bearer Global Notes or Registered Global Notes relating to Notes that are not listed on the Luxembourg Stock Exchange (and not intended to be an NGN or an NSSRGN (as the case may be)) may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Eurosystem-eligible NGN Form and Eurosystem-eligible NSSRGN Form**

If indicated in the applicable Final Terms, any Bearer Global Notes or Registered Global Notes issued from time to time may be intended to be held in a manner which will allow Eurosystem eligibility which means that they are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. To this end, Bearer Global Notes may be issued in the Eurosystem-eligible NGN form (as defined herein) and Registered Global Notes may be issued in the Eurosystem-eligible NSSRGN form (as defined herein). A temporary Bearer Global Note or a permanent Bearer Global Note, in either case where the applicable Final Terms indicates that such Note is intended to be issued in new global note form is referred to as a **New Global Note** or **NGN** and an NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms, is referred to as a **Eurosystem-eligible NGN**. A Registered Global Note where the applicable Final Terms indicates that such Note is intended to be issued under the new safekeeping structure is referred to as an **NSS Registered Global Note** or **NSSRGN** and an NSSRGN which is intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms, is referred to as a **Eurosystem-eligible NSSRGN**. The **Eurosystem** refers to the European System of Central Banks as the term is used by the Governing Council of the European Central Bank.

**Fixed Rate Notes**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Purchaser(s) (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Purchaser(s) as indicated in the applicable Final Terms.

**Partly Paid Notes**

While any part payments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a temporary Bearer

Global Note or a permanent Bearer Global Note representing such Notes may be exchanged for Bearer Definitive Notes.

If any Noteholder fails to pay any part payment due on any Partly Paid Notes within the time specified, the Issuer may have a right to redeem such Notes if so specified, and on the terms set out, in the applicable Final Terms.

**Floating Rate Notes**

Floating Rate Notes will bear interest at a rate determined (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement evidenced by a confirmation incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or (ii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or (iii) on such other basis as may be agreed between the Issuer and the relevant Purchaser(s) (as indicated in the applicable Final Terms).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Purchaser(s) for each issue of Floating Rate Notes and specified in the applicable Final Terms.

**Index Linked Notes**

Payments of principal and/or interest in respect of Index Linked Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities (including, without limitation, shares (any such Index Linked Notes, **Equity Linked Notes**) or funds (any such Index Linked Notes, **Fund Linked Notes**) or commodities (any such Index Linked Notes, **Commodity Linked Notes**) or the creditworthiness of one or more reference entity(ies) or reference obligation(s) (any such Index Linked Notes, **Credit Linked Notes**) or by reference to the performance of certain assets (any such Index Linked Notes, **Managed Assets Portfolio Linked Notes**) or a specified preference share of the Preference Share Issuer (as defined herein) (any such Index Linked Notes, **Preference Share Linked Notes**) or a specified warrant of the Warrant Issuer (as defined herein) (any such Index Linked Notes, **Warrant Linked Notes**) or by reference to futures contracts on the same or by reference to the performance of securities which reflect the performance of a portfolio of assets (including, but not limited to, unlisted shares) or to such other factors as the Issuer and the relevant Purchaser(s) may agree (as indicated in the applicable Final Terms).

**Other provisions in relation to Floating Rate Notes and Index Linked Notes**

Floating Rate Notes and Index Linked Notes may also have a maximum interest rate, a minimum interest rate or both, or be subject to a Rate Multiplier, in each case as set forth in the applicable Final Terms.

**Dual Currency Notes**

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currency or currencies, and based on such rate or rates of exchange, as the Issuer and the relevant Purchaser(s) may agree (as indicated in the applicable Final Terms).

**Physical Delivery Notes**

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Physical Delivery Notes and any delivery of any Underlying Asset(s) in respect of Physical Delivery Notes

will be made in accordance with the terms of the applicable Final Terms, subject always to applicable securities laws.

**Zero Coupon Notes**

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest (other than in the case of late payment).

**Preference Share Linked Notes**

The redemption amount payable in respect of Preference Share Linked Notes will be calculated by reference to the performance of a single specified preference share of Solentis Investment Solutions PCC (the **Preference Share Issuer**).

**Warrant Linked Notes**

Amounts payable in respect of Warrant Linked Notes will be calculated by reference to warrants issued by the Warrant Issuer.

**Redemption**

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes (if Physical Delivery Notes) may be settled at maturity or otherwise by receipt by the holder(s) of a cash amount and/or by delivery of the relevant Underlying Assets or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 30 nor more than 45 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between the Issuer and Purchaser(s) as indicated in the applicable Final Terms. The Notes may also be redeemed prior to their stated maturity in circumstances described in the Technical Annex (if specified to apply in the applicable Final Terms), including upon determination made by Societe Generale acting as Calculation Agent.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.

**Denomination of Notes**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Purchaser(s) as indicated in the applicable Final Terms save that: (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "*Certain Restrictions - Notes having a maturity of less than one year*" above).

## RISK FACTORS

**Prospective purchasers of Notes should carefully consider the following information in conjunction with the other information contained in this Base Prospectus, the 2012 Registration Document of Societe Generale (as updated from time to time) and any applicable Final Terms before purchasing Notes.**

*Investors may lose the value of their entire investment (together with, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid, if applicable) or part of it, as the case may be, and/or, if the investors' liability is not limited to the value of his investment (such as where any investor may lose, in addition to such investment, any amounts which may have accrued on such investment but which have not been paid, if applicable), a statement of that fact, together with a description of the circumstances in which such additional liability arises and the likely financial effect.*

*Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme or under the Guarantee in relation to such Notes (respectively). Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which each of the Issuer and the Guarantor believes are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest (if any), principal or other amounts on or in connection with any Notes may occur for other reasons, and each of the Issuer and the Guarantor does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Consequently, the statements below or in the applicable Final Terms regarding the risks of investing in the Notes of any Series should not be viewed as exhaustive. The applicable Final Terms in respect of any Notes may contain more detailed information in relation to issue specific risk factors which have already been described in a general way in this Base Prospectus and which should be considered before making an investment decision. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. No investment should be made in the Notes of any Series until after careful consideration of all those factors that are relevant in relation to the Notes of such Series. Prospective investors should reach an investment decision with respect to the suitability of the Notes of such Series for them only after careful consideration and consultation with their financial and legal advisers.*

*The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.*

### **A. Risks relating to the Issuer, the Group and, as the case may be, the Guarantor**

*The Group is exposed to the 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 counterparty risk (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 insurance activities;

- Risk related to specialised finance activities;
- Specific financial information;
- Regulatory ratios; and
- Other risks.

For any further information on the risks relating to the Group and the Guarantor, investors should refer to the "Risk Management" section in the English translation of the 2012 Registration Document of Société Générale which is incorporated by reference into this Base Prospectus

**Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under the Guarantee in relation to such Notes**

*Creditworthiness of the Issuer and the Guarantor*

If you purchase the Notes, you are relying upon the creditworthiness of the Issuer and, if applicable, the Guarantor.

The Guarantee constitutes general and unsecured contractual obligations of the Guarantor and of no other person, which will rank equally with all other unsecured contractual obligations of the Guarantor, and behind preferred liabilities, including those mandatorily preferred by law. The Guarantor issues and guarantees a large number of financial instruments on a global basis and, at any given time, the financial instruments outstanding may be substantial. If, in respect of any Guaranteed Note, following the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets in accordance with Condition 12 (*Enforcement and Realisation*), the net proceeds of such enforcement or liquidation are not sufficient to make all payments due in respect of such Guaranteed Note in accordance with the Order of Priority specified in the applicable Final Terms, the Guarantor will as soon as reasonably practical and in any event not later than ten Business Days after a demand has been made on the Guarantor by the Trustee (without requiring the Trustee first to take steps against the Issuer or any other person) pay an amount equal to the Guaranteed Shortfall Amount (as defined in Condition 3(b) (*Status of the Notes and the Guarantee; Guaranteed Notes*)) in the currency in which such Guaranteed Shortfall Amount is payable in immediately available funds as though the Guarantor were the principal obligor in respect of such obligation. Noteholders are relying upon the creditworthiness of the Guarantor and no other person in relation to such Guaranteed Shortfall Amount.

The Guarantee is a guarantee of payment of the Guaranteed Shortfall Amount only and not a guarantee of the performance by the Issuer of any of its other obligations under the Notes including any obligation the Issuer may have to deliver any securities or pay any other amount (including any amounts of interest that may be periodically due). In addition, investors should be aware that the Guaranteed Shortfall Amount is determined by reference to the Market Value of the Guaranteed Notes, which may not be the same as the amounts due to Noteholders (including where such amounts are based on the Early Redemption Amount for such Notes). As a result, the Guaranteed Shortfall Amount may be less than the difference between the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets received by the Holder of a Guaranteed Note and the amounts due to Noteholders.

*Limitations on recourse and rights with respect to underlyings*

Where the Notes are backed by securities, a holder of the Notes has no rights against the company that has issued such securities; where the Notes relate to an index, such holder of the Notes has no rights against the sponsor of such index; where the Notes relate to a fund, such holder of the Notes has no rights against the manager of such fund; and where the Notes relate to a swap or other kind of hedging contract, such holder of the Notes has no rights against the counterparty of such swap or contract. Further, an investment in the Notes is not an investment in the Underlying Assets and a holder of the



Notes will have no rights in relation to voting rights or other entitlements (including any dividend or other distributions) relating to such Underlying Assets. The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of any underlying assets and such entities have no obligation to take into account the consequences of their actions on any Noteholders.

*Risks associated with product structure*

Once the proceeds of the issue of the Notes and any Related Notes have been invested in the Charged Assets with respect to a particular Compartment, such Charged Assets (including, without limitation, assets such as hedging agreements and debt securities) will constitute the only source of funds available to the Issuer for the satisfaction of its pre-enforcement obligations under the Notes and the relevant Related Agreements (if any). Accordingly, if such Charged Assets do not generate sufficient cashflows, an Event of Default may occur under the Notes, which, in turn, may lead to the enforcement and liquidation of the relevant Charged Assets by the Trustee (or its Appointee). The proceeds of any such enforcement and liquidation may not be sufficient to meet the claims of the Secured Parties (including the Noteholders) with respect to the relevant Compartment. As more fully described below, claims against the Issuer by holders of the Notes of a particular Series, the holders of any Related Notes and, in each case, each other Secured Party in respect of any Compartment will be limited: (i) in the case of any Notes issued under a Category A Compartment, to the relevant Charged Assets; and (ii) in the case of any Notes issued under a Category B Compartment, to the relevant Charged Assets, and, in the case of any Charged Assets Shortfall and with respect to the claims of the Noteholders only (and not those of any other Secured Party), the Supplementary Assets (if any). Accordingly, investors may lose the value of their entire investment in the Notes or part of it.

*Risks associated with the lack of independence of the Issuer and, as the case may be, the Guarantor and conflicts of interest*

Save as otherwise provided herein, neither the Issuer nor the Guarantor is aware of any conflict of interest that is material to the issue/offer of Notes hereunder.

Codeis Securities SA will act as the Issuer under the Programme. Societe Generale will act as the Guarantor of the Notes where applicable and also as provider of hedging instruments to the Issuer (which hedging instruments shall be Charged Assets), Compartment Assets Manager, Supplementary Assets Manager, Disposal Agent, Market Maker, Voting Agent (if applicable) and Calculation Agent (if applicable). As a result, investors will be exposed not only to the credit risk of the Guarantor but also to potential conflicts of interest and operational risks arising from the lack of independence associated with Societe Generale acting as provider of hedging instruments to the Issuer, Guarantor, Compartment Assets Manager, Supplementary Assets Manager, Disposal Agent, Market Maker, Voting Agent (if applicable) and Calculation Agent (if applicable). The potential conflicts of interests and operational risks arising from such lack of independence are in part intended to be mitigated by the fact that different divisions within Societe Generale will be responsible for (i) implementing the Guarantee, (ii) providing hedging instruments and (iii) acting as Compartment Assets Manager, Supplementary Assets Manager, Disposal Agent, Market Maker, Voting Agent (if applicable) and Calculation Agent (if applicable) and that each division is run as a separate operational unit, segregated by Chinese walls (information barriers) and run by different management teams. Whilst compliance procedures require effective segregation of duties and responsibilities between the relevant divisions within Societe Generale, the possibility of conflicts of interest arising cannot be wholly eliminated.

The Guarantor provides a full array of capital market products and advisory services worldwide including the issuance of “structured” Notes where interest and/or principal is/are linked to the performance of underlying assets. The Issuer and the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the underlying assets. Such activities and information may cause consequences adverse to the Noteholders. Such actions and conflicts may include, without limitation, the exercise of voting power, the

purchase and sale of securities, financial advisory relationships and the exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the underlying assets or the companies to which they relate. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on any Note.

In particular, the following potential conflicts of interest could exist in connection with any issue of Notes in the context of this Programme:

- the Issuer is a subsidiary of Societe Generale and is within the scope of application of the corporate governance of the Group. It is not excluded that potential conflicts of interest between the Issuer and the Guarantor could affect the Noteholders;
- the Arranger, the Paying Agents, the Registrar, the Transfer Agent, Exchange Agent, Compartment Assets Manager, Supplementary Assets Manager, Disposal Agent, Market Maker, Voting Agent (if applicable) and Calculation Agent (if applicable) are all part of the Group. A deterioration of Societe Generale's credit risk would also affect its affiliated companies and thus have a negative impact on the obligations of each of the entities listed above in relation to the Notes. If one of these entities does not respect its obligations towards the Issuer and/or the Guarantor, this could have a negative impact on the Noteholders;
- in the normal course of their activity, Société Générale and its affiliated companies (a) could be required to carry out transactions for their own account or for the account of their clients and hold long and short term positions on the underlying assets and/or products derived from these assets and (b) could be in business relationships and act as the financial advisor for companies whose shares or notes are underlying assets and/or Notes and could be deemed to be contrary to the interests of the Noteholders;
- in the normal course of their activity, Société Générale and its affiliated companies could possess or acquire information which is not public knowledge on the underlying assets and which are or could be important to the Notes. None of the Societe Generale Group entities intend to make this information available to the Noteholders;
- the composition of, and the methodologies used in connection with, certain indices to which Notes are linked may be determined and selected by Societe Generale or one of its affiliates (see "*Conflicts of interest in connection with indices*" below);
- the potential for a fund manager to earn performance-based compensation (including a manager that is affiliated with Societe Generale) may encourage such fund manager to trade in a more speculative manner than it otherwise would (see "*Funds managers may be eligible to earn incentive compensation*" below); and
- 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 Noteholders' accounts or on behalf of the Noteholders (see "*Certain business activities may create conflicts of interest with Noteholders*" below).

*Hedging and trading activity by the Guarantor and its affiliates could potentially affect the value of the Notes*

In the ordinary course of its business, whether or not it will engage in any secondary market-making activities, the Guarantor and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Charged Assets or related derivatives.

In addition, in connection with the offering of the Notes, the Issuer, the Guarantor and/or their affiliates may enter into one or more hedging transactions with respect to the Notes, the Charged Assets or related derivatives. In connection with such hedging by the Issuer, the Guarantor and/or their affiliates (or any market-making activities or with respect to proprietary or other trading activities by the Guarantor) may enter into transactions in the Charged Assets or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the relevant Noteholders.

*Securitisation Act 2004, Compartments and Limited Recourse*

The board of directors of the Issuer (the **Board**) may establish one or more compartments (together the **Compartments** and each a **Compartment**) each of which constitutes either a Category A Compartment or a Category B Compartment or the Category X Compartment, each of which is a separate and distinct part of the Issuer's estate (*patrimoine*) and which may be distinguished by the nature of acquired risks or assets and, as far as each Category A Compartment and Category B Compartment is concerned, the Conditions, in each case as completed, modified and amended by the applicable Final Terms, the reference currency or other distinguishing characteristics. The Conditions of the Notes issued in respect of, and the specific objects of, each Category A Compartment and each Category B Compartment shall be determined by the Board. Each Secured Party shall be deemed to fully adhere to, and be bound by, the Conditions applicable to the Notes and the articles of incorporation of the Issuer (the **Articles** or the **Articles of Incorporation**).

The Issuer is established as a *société de titrisation* within the meaning of the Securitisation Act 2004, which provides that claims against the Issuer by the Secured Parties will, in principle, be limited to the net assets of the relevant series included in the relevant Compartment, save as provided in Condition 8(b) (*Supplementary Assets*) with respect to Category B Notes. In respect of any Compartment and any Note (the **Relevant Note**), and following a Note Acceleration in respect of the Relevant Note, the entitlement of the holder of the Relevant Note as against the Issuer will be limited: (i) in the case of any Category A Compartment, to such Noteholder's *pro rata* share of the proceeds of the relevant Charged Assets applied in accordance with the Order of Priority specified in the applicable Final Terms; and (ii) in the case of any Category B Compartment, to such Noteholder's *pro rata* share of the proceeds (as aforesaid), and, in the case of any Charged Assets Shortfall, the Supplementary Assets (if any). If, in respect of any Relevant Note, the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets applied as aforesaid are not sufficient to make all payments due in respect of the Relevant Note in accordance with the Order of Priority specified in the applicable Final Terms, then, without prejudice to the rights of the Trustee held for the benefit of holders of Guaranteed Notes under the Guarantee, (i) no other assets of the Issuer will be available to meet such Residual Shortfall Amount; (ii) the claims of the holder of the Relevant Note as against the Issuer in respect of any such Residual Shortfall Amount shall be extinguished and (iii) neither the holder of a Note nor any person on its behalf shall have the right to petition for the winding-up of the Issuer as a consequence of any Residual Shortfall Amount or otherwise. Noteholders, by acquiring the Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions with respect to limited recourse, non-petition, subordination and priority of payments.

Pursuant to the Articles, investors under the Category X Compartment and the creditors whose claims have arisen in connection with the creation, operation or liquidation of the Category X Compartment are made aware, acknowledge and accept that their respective claims are subordinated to the claims that holders of Category B Notes may have in respect of the Supplementary Assets.

As far as each Category A Compartment and each Category B Compartment is concerned and subject to any particular rights or limitations attaching to any Notes, as may be specified in the Articles or upon which such Notes may be issued including, without limitation, the relevant Conditions and the relevant Final Terms, if the net assets of a Category A Compartment or a Category B Compartment are liquidated, the proceeds thereof shall be applied in the order set out in the Conditions.

As between the Secured Parties, each Compartment is deemed to comprise assets of a separate entity.

Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment shall, unless otherwise determined by the Board, be general liabilities of the Issuer and shall not be payable out of the assets of any Compartment. The Board shall ensure, to the extent possible (although there is no guarantee that the Board will be able to achieve this), that creditors of such liabilities waive recourse to the assets of any Compartment.

The Board shall establish and maintain separate accounting records for each of the Compartments of the Issuer. The assets of each Category A Compartment or Category B Compartment may include the proceeds of the issue of the Notes of the relevant Series, any Related Notes, any Related Agreements, any collateral relating to such Series, any proceeds from the Related Agreements and any such collateral. The fees, costs and expenses in relation to the Notes of each Series are allocated to the respective Category A Compartment or Category B Compartment in accordance with the relevant Conditions.

To give effect to the provisions of the Securitisation Act 2004 and the Articles under which the Charged Assets of a Category A Compartment or Category B Compartment are available only for the Secured Parties for the relevant Series relating to that Category A Compartment or Category B Compartment, and the Supplementary Assets are only available to holders of Category B Notes in certain circumstance specified in the Conditions, the Issuer will seek (although there is no guarantee that the Issuer will be able to achieve this) to contract with parties on a "limited recourse" basis such that claims against the Issuer in relation to each Series would be restricted to the Charged Assets of the Category A Compartment or Category B Compartment for the relevant Series.

#### *Consequences of Winding-up Proceedings*

If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and cannot obtain further credit), a creditor, who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer, is entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor should however not have recourse to the assets of any Compartment (in the case that the Issuer has created one or more Compartments) but should have to exercise his rights on the general assets of the Issuer unless his rights would arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets allocated to that Compartment but he would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may in certain conditions, entitle creditors (including the relevant counterparties) to terminate contracts with the Issuer (including Related Agreements) and claim damages for any loss created by such early termination. The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court.

#### *Category B Notes and Supplementary Assets*

There is no assurance as to the quantity or value of Supplementary Assets contained in the Category X Compartment or that the Category X Compartment will, at any given time, contain any Supplementary Assets at all and, in the case of Category B Notes, it may only be possible for investors to claim the relevant Charged Assets regardless of whether the proceeds of enforcement or liquidation of the assets of the relevant Category B Compartment are sufficient to make all payments due in respect of the relevant Series.

The Issuer may, except as provided above, alter the composition of, or remove entirely, any Supplementary Assets without notifying any person (including, without limitation, the Noteholders). Further, in the event that the Category X Compartment does contain Supplementary Assets at the time

of any Charged Assets Shortfall(s), the Issuer gives no assurance that such Supplementary Assets will be sufficient to meet the claims of the holders of the relevant Series of Category B Notes.

The above situations may result in consequences which may be adverse to any investment by any holder of the Notes. The Issuer and the Guarantor assume no responsibility whatsoever for such consequences and their impact on any investment by any holder of the Notes.

#### *Excess Assets Direction*

Where the Security constituted by or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document in respect of a Series becomes enforceable, the Trustee shall notify the Secured Parties (other than the Noteholders) if the Net Proceeds in respect of such Series exceeds or is likely to exceed the amounts due to the Secured Parties in accordance with the Order of Priority. In such circumstances, the Secured Party that has provided Charged Assets to the Issuer in connection with such Series may send an Excess Assets Direction notice to the Trustee directing the Trustee how to deal with the Charged Assets (including in relation to the order of realisation of such assets) and requesting the Trustee to deliver any Residual Collateral Assets to it. Such direction may affect (i) the amount received by the Trustee in respect of such realisation and (ii) the time frame in which the Trustee is entitled to realise the Charged Assets. Accordingly, in such circumstances the rights of Noteholders will be subordinated to the rights of the relevant Secured Party in relation to the manner in which the Charged Assets are realised.

#### *Custody Arrangements*

Compartment Assets and, if applicable, Supplementary Assets (together with any related Security) will, unless otherwise specified in the applicable Final Terms, be held by the Custodian on behalf of the Issuer pursuant to the Custody Agreement (as defined in Condition 8(c)(i)). Any assets held by the Custodian may be unavailable to investors upon the bankruptcy of the Custodian or, if different, the bank or financial institution with which such assets are held.

## **B. Risks relating to Notes**

### ***I. General risks relating to the Notes***

#### **1 - Set out below is a brief description of certain risks relating to the Notes generally:**

##### *Independent Review and Advice*

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, 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 Notes.

A prospective investor may not rely on the Issuer, the Guarantor, the Arranger or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

##### *Modification*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

##### *Assessment of Investment Suitability*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes 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 Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes 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 Notes 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 Notes 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 Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Some Notes 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.

#### *Taxation*

Potential Purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the applicable Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the applicable Final Terms.

#### *EU Savings Directive*

Under EC 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 another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to

information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

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 or any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note 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.

#### *Change of law*

The conditions of the Notes (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.

#### *U.S. Foreign Account Tax Compliance withholding*

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-US 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 certain information on its account holders. The new withholding regime will be phased in beginning in 2014. If the Issuer does not enter into such an agreement, the Issuer may be subject to a 30 per cent. withholding tax on all, or a portion of all, payments received from U.S. sources and from Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes.

In the alternative, if the Issuer becomes a Participating FFI, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all of, or a portion of, certain payments made in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes and that are issued after 31 December 2012 or are materially modified after that date, and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. In addition, pursuant to the Conditions of the Notes, the Issuer may issue Further Notes (as defined in Condition 17 (*Further Notes, Related Notes and Consolidation*)) in respect of any Series of Notes already issued (**Existing Notes**) such that the Further Notes shall be consolidated and form a single Series with the Existing Notes. An issue of Further Notes after 31 December 2012 that will be consolidated and form a single Series with, and have the same operational identification numbers as, Existing Notes issued on or before 31 December 2012 may result in such Existing Notes also being subject to withholding.

This withholding tax may apply to an investor or to any non-U.S. financial institution through which payment on the Notes is made if that investor or financial institution does not meet certain requirements established under FATCA. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. Noteholders therefore may, if FATCA is implemented as currently proposed by the U.S. Internal Revenue Service, receive less interest or principal than expected. See "*Taxation—United States—U.S. Foreign Account Tax Compliance Withholding*" for further information.

*The Dodd-Frank Wall Street Reform and Consumer Protection Act*

The Dodd-Frank Wall Street Reform and Consumer Protection Act (**Dodd-Frank**), which provides for substantial changes to the regulation of the futures and over-the-counter (**OTC**) derivative markets, was enacted in July 2010.

Dodd-Frank requires regulators, including the CFTC, the Securities and Exchange Commission (the **SEC**) the Department of the Treasury, the Financial Stability Oversight Council (the **FSOC**), the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to adopt regulations to implement many of the requirements of the legislation. While certain regulations under Dodd-Frank have been adopted, much of the significant rule-making remains to be done, and the ultimate nature and scope of the regulations cannot yet be determined. By way of example, final regulations defining the terms “swap” and “securities-based swap” have not been adopted and it is not possible to conclude that the Notes will not be deemed to be “swaps” or “securities-based swaps” under Dodd-Frank and regulated as such. Options, swaps and other instruments entered into by the Issuer may also be considered “swaps” or “securities-based swaps” under Dodd-Frank and be subject to regulation thereunder.

Under Dodd-Frank, the CFTC has approved a final rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives. While the precise scope and effect of the final rule is not yet known, these limits will likely restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes will likely increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers will also be required to be registered and will be subject to various regulatory requirements, including capital and margin requirements. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the return on and value of the Notes.

Dodd-Frank also: requires the SEC to promulgate rules generally prohibiting firms from underwriting or sponsoring an asset-backed security, including certain synthetic structured products, that would result in a material conflict of interest with respect to investors in that security; establishes the FSOC to oversee systemic risk, and provides regulators with the power to require companies deemed “systemically important” to sell or transfer assets and terminate activities if the regulators determine that the size or scope of activities of the company pose a threat to the safety and soundness of the company or the financial stability of the United States; requires covered entities to provide a credible plan for resolution under the Bankruptcy Code, and provides sanctions that include divestiture of assets or restructuring in the event the plan is deemed insufficient; and requires several regulators to jointly promulgate rules implementing prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds (the **Volcker Rule**). The Volcker Rule is currently scheduled for effectiveness on 21 July 2012, and once it becomes effective, it could prohibit Société Générale from owning the Issuer or guaranteeing payments on the Notes (including previously issued Notes and outstanding Notes).

Given that the full scope and consequences of the enactment of Dodd-Frank and the rules still to be enacted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Notes under the Programme.



Further, the Issuer could be required to register as a commodity pool operator and to register one or more Series of Notes as commodity pools with the CFTC through the National Futures Association. Such additional registrations may result in increased reporting obligations and also in extraordinary, non-recurring expenses of the Issuers thereby materially and adversely impacting a Note's value.

In addition, other regulatory bodies have proposed or may propose in the future legislation similar to those proposed by Dodd-Frank or other legislation containing other restrictions that could adversely impact the liquidity of and increase costs of entering into derivatives transaction. For example, the European Commission recently published a proposal to update the Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR), which proposes regulations to establish position limits (or an alternative equivalent) on trading derivatives, although the scope of any final rules and the degree to which member states will be required or permitted to adopt these regulations or additional regulations remains unclear. If these regulations are adopted or other regulations are adopted in the future, they could have an adverse impact on the return on and value of the Notes.

*No legal and tax advice*

Each prospective investor should consult its own advisers as to the legal, tax and related aspects of an investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by tax imposed on that Noteholder in respect of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

*Eligibility of certain Global Notes for Eurosystem Monetary Policy*

If indicated in the applicable Final Terms, any Bearer Global Notes or Registered Global Notes may be intended to be held in a manner which will allow Eurosystem eligibility. This simply means that such Notes were upon issue deposited with a common safekeeper for one of the ICSDs and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem (the **Eurosystem Eligible Collateral**) either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. If the Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Notes will not be Eurosystem Eligible Collateral. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in such Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investors in such Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem Eligible Collateral.

*Transfer Restrictions*

The Notes may be subject to certain transfer restrictions. In particular, any Notes or any interests therein (other than Permanently Restricted Notes) offered and sold or intended to be transferred in the United States or to, or for the account or benefit of, U.S. Persons can only be sold or otherwise transferred to certain transferees, as described under the section headed "*Subscription, Sale and Transfer Restrictions*". Additionally, Permanently Restricted Notes, or any interest therein, may not be offered, sold, unsold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person. Such restrictions on transfer may limit the liquidity of such Notes. Consequently, a Purchaser must be prepared to hold such Notes for an indefinite period of time and potentially until their maturity.

Any sale or transfer of Notes in the United States or to, or for the account or benefit of, U.S. Persons in violation of such transfer restrictions or any sale or transfer of the Notes that would cause the Issuer or any Compartment to become required to register as an investment company under the Investment Company Act will be void *ab initio* and will not be honoured by the Issuer, except to the extent otherwise

required by law. In addition, the Issuer may, in its discretion, redeem the Notes held by such Purchaser or other transferee or compel any such Purchaser or other transferee to transfer such Notes. Any such redemption or forced transfer may result in a significant loss of a Noteholder's investment.

#### *Investment Company Act*

The Issuer has not registered with the United States Securities and Exchange Commission (the **SEC**) as an investment company pursuant to the Investment Company Act. Investors in the Notes will not have the protections of the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, has failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

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

#### *Legality of Purchase*

Neither the Issuer, the Guarantor, the Arranger, the Dealer(s) nor any of their affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, 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 investor with any law, regulation or regulatory rule applicable to it.

**2 - Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:**

#### *Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures*

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While

the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

*The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

**In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the Notes which may be issued hereunder. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes, any underlying or reference, or the assets of the Issuer and/or the Guarantor, if applicable. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.**

Although applications have been made for the Notes issued under this Base Prospectus to be listed and admitted to trading on the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop.

*Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Notes.

As regards Floating Rate Notes, a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them and therefore their investment return cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline; i.e. that is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes as well may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended by Regulation (EU) No. 513/2011, the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Certain information with respect to the credit rating agencies and ratings referred to in this Base Prospectus will be disclosed in the applicable Final Terms, when applicable.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal 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) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*Market value of the Notes*

The credit ratings of the Guarantor are an assessment of its ability to pay its obligations, including those on the Guaranteed Notes. Consequently, actual or anticipated declines in the credit ratings of the Guarantor may affect the market value of the relevant Guaranteed Notes.

In addition, the market value of the Notes will be affected by the creditworthiness of the Guarantor or the Group and a number of additional factors, including the market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France and elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Purchaser.

*Notes where denominations involve integral multiples: Bearer Definitive Notes*

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Bearer Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Bearer Definitive Note in respect of such holding (should Bearer Definitive Notes be printed) and would need to purchase a principal amount of Bearer Notes such that its holding amounts to a Specified Denomination.

If Bearer Definitive Notes are issued, holders should be aware that Bearer Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

**II. Risks related to the structure of a particular issue of Notes**

*A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:*

*Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Early Trigger Redemption*

In respect of certain issuances where so specified in the applicable Final Terms, the Notes may be redeemed early in the event that the outstanding nominal amount equals or falls below 10 per cent. of the initial nominal amount of such Notes or such other level stipulated in the applicable Final Terms. In such event the Issuer will have the option to redeem any outstanding Notes early upon the giving of notice. This could lead to investors receiving an amount at redemption earlier than had been anticipated in circumstances over which the investors have no control and may affect the value of their investment.

*Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest

payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical performance of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Index Linked Notes or any Dual Currency Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes or Dual Currency Notes and the suitability of such Notes in light of its particular circumstances.

*Risks relating to Dual Currency Notes (or other Notes linked to currencies)*

The Issuer may issue Dual Currency Notes (or other Notes linked to currencies) where the amount of principal and/or interest payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Notes are denominated. Accordingly an investment in Dual Currency Notes may bear similar market risks to a direct foreign exchange investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Dual Currency Notes, (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may or may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in exchange rates will affect the value of Dual Currency Notes. If the amount of principal and/or interest payable is dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one, or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable are dependent upon movements in currency exchange rates, may depend upon the time remaining to

the relevant redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

*Partly-Paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one part payment. Failure to pay any subsequent part payment could result in an investor losing some or all of his investment.

*Interest rate risks*

Investment in Fixed Rate Notes or any Note with a fixed rate component involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

*Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be more volatile than those of securities that do not include those features.

*Inverse Floating Rate Notes*

Inverse floating rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

*Fixed/Floating Rate Notes*

Fixed/floating rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued linked to certain events*

The interest rate or redemption amount of certain Notes may be linked to the occurrence or non-occurrence of certain events which are not connected with the Issuer or the Guarantor such as credit, price levels, weather or sporting events. The occurrence of such events is beyond the control of the Issuer and the Guarantor and Noteholders are exposed to the risk of such event occurring or not, as the case may be.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount to or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*Notes underlying CREST Depository Interests*

The CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service.

The settlement of the CDIs by means of the CREST International Settlement Links Service may involve the following risks to investors:

1. Investors will not be the legal owners of the Notes underlying the CDIs (the **Underlying Notes**). The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.

The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.

The CDIs will be issued by CREST Depository Limited to investors and will be governed by English law. The CDIs will represent indirect interests in the interest of CREST International Nominees Limited in the Underlying Notes.

Rights under the Underlying Notes cannot be enforced by investors except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. This will include English law. The rights of investors to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes.

This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

2. The CDIs issued to investors will be constituted and issued pursuant to the CREST Deed Poll. Investors in the CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of, or prescribed pursuant to, the CREST Reference Manual dated 22 November 2010 as amended, modified, varied or supplemented from time to time (the **CREST Reference Manual**) and the CREST Rules (contained in the CREST Reference Manual) applicable to the International Settlement Links Service and investors must comply in full with all obligations imposed on them by such provisions.

Investors should note that the provisions of the CREST Deed Poll, the CREST Reference Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by holders of the CDIs and limitations on the liability of the issuer of the CDIs, CREST Depository Limited.

Investors may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of investors is drawn to the terms of the CREST Deed Poll, the CREST Reference Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB, or by calling +44 (0) 207 849 0000, or from the CREST section of the Euroclear website at [www.euroclear.com](http://www.euroclear.com).



3. Investors should note that holders of CDIs may be required to pay fees, charges, costs and expenses to CREST Depository Limited in connection with the use of the International Settlement Links Service. These will include the fees and expenses charged by CREST Depository Limited in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the International Settlement Links Service.
4. Investors should note that neither the Issuer nor any Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

#### **Risk Factors relating to Index Linked Notes**

Where payments (whether in respect of principal and/or interest and whether at maturity or otherwise) on Index Linked Notes are calculated by reference to an index or a basket of indices, or a share or a basket of shares, or the creditworthiness of any reference entity or reference obligation or a basket of reference entities or reference obligations, or a commodity or a basket of commodities, or the performance of securities which reflect the performance of a portfolio of assets (including, but not limited to, unlisted shares) (each a **Reference Asset**), the return of the Notes is based on changes in the value of the Reference Asset, which fluctuates. Changes in the value of the Reference Asset cannot be predicted. Although historical data with respect to the Reference Asset is available, the historical performance of the Reference Asset should not be taken as an indication of future performance.

*Investors' yield may be lower than the yield on a standard debt security of comparable maturity*

Unlike conventional fixed rate or floating rate debt securities, Index Linked Notes whose payments (whether in respect of principal and/or interest and whether at maturity or otherwise) are calculated by reference to a Reference Asset, may not provide investors with periodic payments of interest. Further, to the extent that any amount payable under the Notes (including, without limitation, the Final Redemption Amount or Early Redemption Amount of the relevant Notes) is linked to the performance of a Reference Asset (an **Index-Linked Amount**), the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed rate or floating rate debt security. The return of only the relevant Index-Linked Amount(s) of each Note may not compensate the holder for any opportunity cost implied by inflation and other factors relating to the value of money over time.

Adjustment or substitution – Early redemption of the Notes

The Calculation Agent may, in certain circumstances, proceed to adjustments or substitutions, or even decide the early redemption of the Notes, in particular upon the occurrence of events affecting the underlying instrument(s). In the absence of manifest or proven error, these adjustments, substitutions or early redemption decisions will be binding upon the Issuer, the Guarantor, the Agent and the Noteholders. The Issuer may also have a discretionary right to redeem the Notes early. In all such cases, the early redemption of the Notes may result in the total or partial loss of the amount invested.

#### ***Risk Factors relating to Index Linked Notes based on indices***

*Return does not reflect dividends*

Depending upon the calculation methodology of an index, where the performance of an index is taken into account in order to calculate payments due under the Index Linked Notes the payment of income (such as dividends for an index that has stocks as underlyings) may not be reflected as the index may be calculated by reference to the prices of the underlyings comprising the index without taking into consideration the value of any income paid on those underlying assets. Therefore, the yield to maturity of Index Linked Notes referring to an index may not be the same as the yield that would be produced if such underlying assets were purchased and held for a similar period.

*Risks relating to an index*

Index Linked Notes based on an index are subject to risks broadly similar to those attending any investment in a broadly-based portfolio of assets including, without limitation, the risk that the general level of prices for such assets may decline. The following is a list of some of the significant risks associated with an index:

- historical performance of the index does not indicate the future performance of the index. It is impossible to predict whether the value of the index will fall or rise during the term of the Notes; and
- if the index comprises underlying stocks, the trading prices of the stocks underlying the index will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the value of any asset related to the index and, in turn, the return on the Notes.

The policies of the sponsor of an index (including a sponsor that is affiliated with Societe Generale) concerning additions, deletions and substitutions of the assets underlying the index and the manner in which the index sponsor takes account of certain changes affecting such underlying assets 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 Notes. See the section headed “*Technical Annex*” for more details.

In addition, indices may be subject to management fees and other fees as well as charges that are payable to the index sponsor(s) and which can reduce Index-Linked Amounts payable to Noteholders. Such fees may be paid to index sponsors that are affiliates of Societe Generale.

*Conflicts of interest in connection with indices*

The composition of, and the methodologies used in connection with, certain indices to which Notes are linked may be determined and selected by Societe Generale or one of its affiliates. In selecting such methodologies, Societe Generale or the relevant affiliate of Societe Generale can be expected to have regard to its own objectives and interests and/or those of the Group and there is no guarantee that the methodologies selected will not be less favourable to the interests of investors than methodologies used by other index sponsors in comparable circumstances.

If the hedging activities of Societe Generale or one of its affiliates in connection with a particular index are disrupted, Societe Generale or the relevant affiliate 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 redemption of the Notes.

***Risk Factors relating to Index Linked Notes referenced on a portfolio of assets (including, but not limited to, unlisted shares)***

The Notes may be linked (directly or through securities issued by the owner of the portfolio) to a portfolio of assets (including, but not limited to, unlisted shares).

*Investors should investigate the underlying portfolio of assets as if investing directly in the assets contained in such underlying portfolio*

To the extent that the underlying(s) of a Series of Notes is linked to a portfolio of assets (including, but not limited to, unlisted shares), investors should conduct their own diligence of the underlying portfolio as they would if they were directly investing in the underlying portfolio or the assets contained in the underlying portfolio. The offering of the Notes does not constitute a recommendation by Societe Generale or any of its affiliates with respect to an investment linked to an underlying portfolio. Investors

should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by the Issuer or any of its affiliates to invest in the underlying portfolio.

*Net Asset Value*

The Issuer believes that the market value of the Notes is likely to depend substantially on the then-current net asset value of the underlying portfolio. If an investor chooses to sell its Notes, such investor may receive substantially less than the amount that would be payable at any relevant payment date based on the then-current net asset value of the underlying portfolio because of, for example, possible market expectations that the net asset value of the underlying portfolio will fluctuate between such time and the time when the final net asset value of the portfolio is determined. Political, economic, regulatory and other developments that affect the assets contained in the underlying portfolio may also affect the net asset value of the underlying portfolio and thus the value of the Notes.

*The illiquidity of the assets contained in the underlying portfolio may cause the payment of the Final Redemption Amount or Early Redemption Amount to be reduced*

The Final Redemption Amounts or Early Redemption Amounts due to investors holding Index Linked Notes referenced on a portfolio of assets (including, but not limited to, unlisted shares) may be based on the sale proceeds that would be paid in cash to a hypothetical investor in the underlying portfolio. Investments in the hypothetical portfolio may not be readily saleable for various reasons, including the fact that the assets contained in the underlying portfolio may themselves be illiquid.

*Composition of the portfolio*

The company issuing the security to which the portfolio is linked will select at its discretion the assets (including, but not limited to, unlisted shares) comprising the underlying portfolio from time to time set out in the Final Terms and the holders of the Notes will not be entitled to influence such decision.

*No beneficial interest in the assets (including, but not limited to, unlisted shares) contained in the underlying portfolio or in the securities issued by the owner of the underlying portfolio*

A holder of the Notes will not be a beneficial owner of the assets (including, but not limited to, unlisted shares) contained in the underlying portfolio or in the securities issued by the owner of the underlying portfolio and therefore will not be entitled to receive any dividends or similar amounts paid on the assets contained in the underlying portfolio, nor will a Noteholder be entitled to purchase the assets contained in the underlying portfolio by virtue of its ownership of the Notes. Moreover, holders of the Notes will not be entitled to any voting rights or other control rights that holders of the assets contained in the underlying portfolio or the securities issued by the owner of the underlying portfolio may have with respect to the issuer of such assets contained in the underlying portfolio or the securities issued by the owner of the underlying portfolio. The Index-Linked Amounts will not reflect the payment of any amount on the securities issued by the owner of the underlying portfolio or any dividends on the assets contained in the underlying portfolio. Accordingly, the return on the Notes will not reflect the return a holder of the Notes would realise if they actually owned the securities issued by the owner of the underlying portfolio or the assets contained in the underlying portfolio and received payment or dividends, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the Index-Linked Amounts will not be the same yield as would be produced if the securities issued by the owner of the underlying portfolio or the assets contained in the underlying portfolio were purchased directly and held for a similar period.

The Issuer, or an affiliate, may purchase interests in the underlying portfolio in order to hedge its obligations under the Notes but it is under no obligation to do so. Such interests, if any, are the separate property of the Issuer or such affiliate and do not secure or otherwise underlie the Notes. Therefore, in the event of a failure to pay the Final Redemption Amount and/or Early Redemption Amount by the Issuer under the Notes, Noteholders will have no beneficial interest in or claim to any such interests in the underlying assets.

*Portfolio managers' investments are not verified*

Neither the Issuer, nor Societe Generale as Guarantor or as Calculation Agent under the Notes, nor Societe Generale's affiliates is or will be responsible for verifying or ensuring that the portfolio managers comply with a specific portfolio management strategy (including a manager that is affiliated with Societe Generale).

The portfolio managers do not have any obligations to the Noteholders, or other role in connection with, the Notes, including any obligation to take the needs of the Noteholders into consideration for any reason. The portfolio managers are not responsible for, and have not endorsed or participated in, the offering, placement, sale, purchase or transfer of the Notes. The portfolio managers are not responsible for, and will not participate in, the determination or calculation of the amounts receivable by Noteholders.

**Risk Factors relating to Equity Linked Notes**

*No beneficial interest in the underlying shares*

A holder of the Notes 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 Noteholder be entitled to purchase the underlying shares by virtue of its ownership of the Notes. Moreover, holders of the Notes 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 Index-Linked Amounts will not reflect the payment of any dividends on the underlying shares. Accordingly, the return on the Notes will not reflect the return a holder of the Notes would realise if they actually owned the underlying shares and received dividends, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the Index-Linked Amounts will not be the same yield as would be produced if the underlying shares were purchased directly and held for a similar period.

*Limited antidilution protection*

The Calculation Agent may make adjustments to elements of the Notes as described in the Technical Annex. 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 Notes. 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 Notes but does not result in an adjustment.

*Risks arising from conduct of issuer of shares*

The issuer of underlying shares are not involved in the offer of the Notes in any way and have no obligation to consider the interest of any holder of the Notes in taking any corporate actions that might affect the value of the Notes. The issuer of underlying shares may take actions that will adversely affect the value of the Notes.

**Risk Factors relating to Fund Linked Notes<sup>1</sup>**

The fund units may be issued hedge funds or mutual funds (hereafter the **underlying funds**).

*Investors should investigate the underlying fund(s) as if investing directly*

To the extent the underlying(s) of a Series of Notes include(s) a fund or portfolio of funds, investors should conduct their own diligence of the underlying fund(s) as they would if they were directly investing in the underlying fund(s). The offering of the Notes does not constitute a recommendation by Societe Generale or any of its affiliates with respect to an investment linked to an underlying fund (including in

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<sup>1</sup> Statements in this section concerning funds and fund managers also apply to any portfolio or basket of funds and any related portfolio manager.

respect of funds that are managed by managers affiliated with Societe Generale). Investors should not conclude that the sale by the Issuer of the Notes is any form of investment recommendation by the Issuer or any of its affiliates to invest in the underlying fund(s).

*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 Issuer nor the Guarantor gives any assurance as to the performance of fund units.

To the extent the underlying(s) of a Series of Notes include(s) a hedge fund or portfolio of hedge funds for a Series of Notes, the Notes 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 Index Linked Notes may be indexed, generally do not make information about their operations and holdings public. Even if the Issuer, the Guarantor or any affiliate of Societe Generale may have arrangements with a fund's 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 Issuer, the Guarantor or any affiliate of Societe Generale to value a fund or to accurately determine the value of the fund units and, consequently, to the extent that any amount payable under the Notes (including, without limitation, the Final Redemption Amount or Early Redemption Amount (if any) of the relevant Notes) is linked to the net asset value of a fund (a **Fund-Linked Amount**), the Fund-Linked Amount payable to Noteholders.

Societe Generale and certain of its affiliates from time to time obtain information regarding specific hedge funds that may not be available to the general public. Any such information is obtained by Societe Generale and certain of its affiliates in the ordinary course of their businesses, and not in connection with the offering of the Notes (including in respect of funds that are managed by managers affiliated with Societe Generale). In connection with the ordinary course of their businesses, Societe Generale and certain of its affiliates may recommend, or determine not to recommend, specific hedge funds to their clients. Hedge funds as to which Societe Generale and certain of its affiliates have formed investment recommendations may now or may in the future be among the underlying fund(s) used in the formula for the Fund-Linked Amount of Notes. Any views that may be held by Societe Generale and certain of its affiliates with respect to the expected future performance of one or more of the funds (including in respect of funds that are managed by managers affiliated with Societe Generale) would not be an indication of the future expected performance of the fund, and neither Societe Generale nor any of its affiliates has formed a view with respect to the expected future performance of a fund. The offering of the Notes does not constitute a recommendation by Societe Generale or any of its affiliates with respect to an investment linked to an underlying fund (including in respect of funds that are managed by managers affiliated with Societe Generale).

*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 Notes may be affected.

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 week to week. 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 fund(s) 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.

Market volatility may produce significant losses on the fund units.

*The use of leverage may increase the risk of loss in the value of the fund units*

The underlying fund(s) may have recourse to leverage i.e. borrow amounts that represent more than 100 per cent. of the value of their assets to invest further in assets that involve additional risks. Accordingly, a small downward movement in the value of a fund's assets may result in a significantly larger loss for the fund.

*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 Societe Generale) 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 may have an incentive to make more risky investments that may result in greater profits. Such risky investments also allow the opportunity for significant losses. In addition, the fund's 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*

Neither the Issuer, nor Societe Generale as Guarantor or as Calculation Agent under the Notes, nor Societe Generale's affiliates is 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 Societe Generale).

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

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 fund(s).

The underlying fund(s) may invest in assets that involve further risks. The fund's managers and/or the investment advisors to hedge funds may invest in and trade in a variety of financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques include but are not limited to the use of leverage (i.e., borrowing money for investment purposes), short sales of securities, transactions that use derivatives such as swaps, stock options, index options, futures contracts and options on futures, transactions that involve the lending of securities to certain financial institutions, the entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies. Furthermore, hedge funds may borrow an amount of more than 100 per cent. of its assets on a consistent basis to increase its

leverage. While these investment strategies and financial instruments allow the fund's managers and/or the investment advisors the flexibility to implement a range of strategies in an attempt to generate positive returns for the fund, they also create the risk of significant losses that may adversely affect the fund.

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.

*Reliance on fund's managers and/or investment advisors of the underlying fund(s)*

Investment in the Notes is speculative and entails substantial risks. The Final Redemption Amount or Early Redemption Amount of the relevant Notes 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, Societe Generale as Guarantor or as Calculation Agent under the Notes or Societe Generale's affiliates are in a position to protect the Noteholders 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. Noteholders 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's 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's managers and/or the investment advisors may manage or advise other funds and/or accounts and may have financial and other incentives to favour such other funds and/or accounts over the underlying fund(s). Also, the fund's 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 Fund-Linked Amount*

Fund fees will be deducted from the net asset value of the fund, reducing the value of the fund units. Accordingly, the Fund-Linked Amount payable to Noteholders will be less than it would have been absent these fees, deductions and charges, but Societe Generale or one of its affiliates may be the beneficiary of such fees or obtain rebate on such fees from third parties.

*Net Asset Value*

The Issuer believes that the market value of the Notes will likely depend substantially on the then-current net asset value of the underlying fund(s). If an investor chooses to sell its Notes, 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 Notes.

*The illiquidity of the underlying fund's investments may cause the payment of the Final Redemption Amount or Early Redemption Amount and/or any Intermediary Amount to be reduced or delayed*

The final redemption amounts or early redemption amounts and/or intermediary amounts due to investors in Notes having funds as underlyings may be based on the redemption proceeds that would be paid in cash by the underlying fund to a hypothetical investor as a result of a valid and timely notice for redemption given by such hypothetical investor with effect as of the relevant valuation date. To meet a redemption request, the underlying fund would likely sell its own assets but such investments may not be readily saleable on or shortly after the valuation date for various reasons, including, but not limited to:

- infrequent redemption opportunities allowed by such underlying fund (for example, many hedge funds only allow monthly or quarterly liquidity);
- “gating”, lock-ups, side pockets or discretionary redemption delays or suspensions imposed by such underlying fund (for example, many hedge funds have provisions whereby redemption requests are scaled back if the aggregate amount of such requests reaches a predetermined limit);
- such underlying funds' own investments may be illiquid.

In these situations, (i) the payment of intermediate amounts may be postponed by the Calculation Agent to soon after the date on which the underlying fund pays all the redemption proceeds in respect of a valid and timely redemption order given after the occurrence of an event described above or to the maturity date of the Notes and/or (ii) the payment of the final redemption amount will occur on the basis of the redemption proceeds paid by the underlying fund in respect of a valid and timely redemption order given after the occurrence of an event described above. If the redemption proceeds have not been paid by the underlying fund on the maturity date of the Notes, the payment of the intermediate amounts or final redemption amounts may be postponed after the maturity date up to a maximum period of two years. If at the expiry of this two-year period, the underlying fund has not paid in full the redemption proceeds, the intermediate and final redemption amounts shall be determined by the Calculation Agent on the basis of what has actually been paid by the underlying fund. The amount received by the investors in the Notes may be as low as zero.

In the case of the occurrence of certain extraordinary events affecting an underlying fund, such as, but without limitation the insolvency, nationalisation or merger of the underlying fund, the resignation or termination or replacement of the administrator, custodian, investment adviser or manager of the fund, or a breach by the underlying fund of its investment strategy, the Calculation Agent may decide to terminate soon after the occurrence of such extraordinary event, the exposure of the Notes to the underlying fund and the intermediate amounts and /or the final redemption amounts and (i) pay any intermediate amount due to the investor in the Notes either immediately or at the maturity date on the basis of the redemption proceeds paid by the underlying fund in the liquidation of the exposure to such underlying fund and/or (ii) pay the final redemption amount at the maturity date on the basis of the redemption proceeds paid by the underlying fund in the liquidation of the exposure to such underlying fund. If the underlying fund is also subject to liquidity problems as described above, the postponement of the payment of the intermediate amounts and/or early redemption amount and/or final redemption amount up to a maximum period of two years may also apply.

Given recent experience in the hedge fund industry, it is likely that such delay would have an adverse impact on the amount payable to an investor under the Notes.

*If the underlying fund(s) invest(s) through a master-feeder structure, the latter may have an adverse effect on the underlying fund(s) and, therefore, the Notes*

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 its investment in the master fund, illiquidity in certain securities or markets could make it difficult for the master fund to liquidate positions on favourable 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 Notes. 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 Notes.

*Certain business activities may create conflicts of interest with Noteholders*

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 Noteholders' accounts or on behalf of the Noteholders. These activities may present a conflict between a Noteholder's interest in the Notes and the interests 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 Noteholders. Any of these trading and/or business activities may affect the value of a underlying fund(s) and thus could be adverse to a Noteholder's return on the Notes. The Issuer, the Guarantor and their affiliates may engage in any such activities without regard to the Notes or the effect that such activities may directly or indirectly have on Notes of any Series.

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

*Additional investments in, or withdrawals of amounts previously invested in, the fund may adversely affect the value of the fund units*

In the ordinary course of their business, whether or not they will engage in any secondary market making activities, the Issuer, the Guarantor or one or more of their affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives. In addition, in connection with the offering of any Series of Notes and during the term of such Series of Notes, each of the Issuer, the Guarantor or one or more of their affiliates in order to hedge its obligations under the Notes, may enter into one or more hedging transactions with respect to the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives.

In connection with any such hedging or any market making activities or with respect to proprietary or other such trading activities, the Issuer, the Guarantor and/or their affiliates may enter into transactions in the underlying fund(s), underlying assets of the underlying fund(s) and/or related derivatives which may affect the market price, liquidity or value of the underlying fund(s) or their underlying assets, and therefore the Notes. The Issuer, the Guarantor and/or any of their affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the underlying fund(s) or their underlying assets. Any of the above situations may result in consequences which may be adverse to a Noteholder's investment. The Issuer and the Guarantor

assume no responsibility whatsoever for such consequences and their impact on a Noteholder's investment.

Investors should be aware that, as a result of hedging decisions by the hedging counterparty, transfers into or out of the fund by the hedging counterparty may affect the value of the fund units and, in turn, the Fund-Linked Amount of the Notes.

Furthermore, the Issuer may issue additional Tranches of Notes that are fungible with the Notes, or other Notes, notes or instruments that, while not fungible with the Notes, may be linked to an index with a component which has the underlying fund(s) as the reference asset. If such Notes are issued, Societe Generale may make additional investments in the underlying fund(s) to hedge exposure incurred in connection with such transactions related to such Notes. Any such investment in the underlying fund(s) could adversely affect the performance of the fund units, which could adversely affect the trading value of the Notes and the Fund-Linked Amount.

#### *Legal, tax and regulatory changes*

Legal, tax and regulatory changes could occur during the term of the Notes 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 organisations and exchanges are authorised 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 adversely affect the value of the Notes.

#### *No ownership rights in any underlying fund(s)*

An investment in the Notes does not entitle Noteholders to any ownership interest or rights in any underlying fund(s), such as voting rights or rights to any payments made to owners of the underlying fund(s). Instead, a Note represents a notional investment in the underlying fund(s). The term "notional" is used because although the value of the underlying fund(s) will be used to calculate payment under the Notes to Noteholders, a Noteholder's investment in the Notes will not be used to purchase interests in the underlying fund(s) on their behalf.

The Issuer, or an affiliate, may purchase interests in the underlying fund(s) in order to hedge its obligations under the Notes but it is under no obligation to do so. Such interests, if any, are the separate property of the Issuer or such affiliate and do not secure or otherwise underlie the Notes. Therefore, in the event of a failure to pay the Final Redemption Amount and/or Early Redemption Amount by the Issuer under the Notes, Noteholders will have no beneficial interest in or claim to any such interests in the underlying fund(s). Accordingly, any claims by Noteholders pursuant to the terms and conditions of such Notes will be *pari passu* with all other unsecured, unsubordinated, unconditional creditors of the Issuer.

#### **Risk Factors relating to Commodity Linked Notes**

Commodity Linked Notes may be redeemed by the Issuer at their par value and/or by the physical delivery of the Underlying Asset(s) and/or by payment of an amount determined by reference to the value of the Underlying Asset(s). Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct investment in the relevant commodities and investors should take advice accordingly. Interest payable on Commodity Linked Notes may be calculated by reference to the value of one or more Underlying Asset(s). The value of the Underlying Asset(s) may vary over time and may increase or decrease by reference to a variety of factors which may include global supply and demand of commodities to which the Underlying Asset(s) refer, production and selling activities of the respective

commodities by producers, central banks and international organisations, demand for end-products based on the respective commodity, net investment demand and industrial demand.

### **Risk Factors relating to Credit Linked Notes**

Investments in Credit Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise. Prospective investors should consult their own financial, tax and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances and ensure that their acquisition is consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of their incorporation and/or in which they operate, and is a suitable investment for them to make. The Issuer believes that such Notes should only be purchased by investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

Credit Linked Notes are securities which do not provide for predetermined redemption amounts and/or interest payments but amounts payable (whether in respect of principal and/or interest) or deliverable will be dependent upon the performance of the underlying references which themselves may contain substantial credit, equity, funds, correlation, volatility, interest rate, foreign exchange, time value, political and/or other risks (**Underlying References**).

An investment in Credit Linked Notes therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- the Underlying Reference may be subject to significant changes, whether due to the composition of any such Underlying Reference itself, or because of fluctuations in value of the Underlying Reference;
- the resulting returns or interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;
- holders of a Credit Linked Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest, or any other return on principal, may cease to be payable on such Note;
- any Note that is linked to more than one type of Underlying Reference, or to formulae that encompass the risks associated with more than one type of Underlying Reference, may carry levels of risk that are greater than Notes that are linked to one type of Underlying Reference only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Credit Linked Notes;
- a significant market disruption could mean that any Underlying Reference ceases to exist;
- each Noteholder may receive an amount on redemption and/or physical delivery of securities together with cash for roundings in respect of any Credit Linked Notes, and the amount payable on redemption and/or the aggregate value of securities physically delivered and cash may be significantly less than the value of the Noteholder's investment in such Notes or the amount of such investment; and
- in the case of any Notes exposed to the performance of a basket of Underlying References, the securities so delivered may relate to, or the cash redemption amount may be calculated by reference to, the worst performing Underlying Reference or any other formula specified in the applicable Final Terms.

Prospective investors should also be aware that an issue of Credit Linked Notes may include provisions to the effect that, following the occurrence of certain events affecting the Underlying Reference (as more fully described in the applicable Technical Annex), the Calculation Agent may, in good faith and in a commercially reasonable manner, take the actions described in (i) or (ii) hereafter:

- (i) to determine in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Final Terms to account for that event and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Credit Linked Notes; or
- (ii) to require the Issuer to redeem all or some of the Notes. Following such redemption, an investor may not be able to reinvest the redemption proceeds on equivalent terms. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, the value of Credit Linked Notes on the secondary market is subject to greater levels of risk than is the value of conventional interest-bearing securities and the market price of such Notes may be very volatile or there may even be no (or a very limited) secondary market. The secondary market, if any, for Credit Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and/or the Guarantor, including (but not limited to) the creditworthiness of any reference entity, the value of the applicable Underlying Reference, the volatility of the Underlying Reference, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable Underlying Reference depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Credit Linked Notes contains a weighting or leverage factor, the effect of any change in the Underlying Reference will be increased. The historical experience of the Underlying Reference should not be taken as an indication of future performance of such Underlying Reference during the term of any such Note.

Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Credit Linked Notes.

None of the Issuer, the Arranger, the Dealer(s) or the Guarantor and their respective affiliates provide any advice with respect to any Underlying Reference nor make any representation as to its quality, credit or otherwise. Accordingly, each potential investor must consult his own legal and financial advisors to assess the risks of investing in the Credit Linked Notes including credit analysis with respect to any Underlying Reference and the relevance of such Notes having regard to his personal situation.

The risk of the loss of some or all of the purchase price of Credit Linked Notes upon redemption means that, in order to recover and realise a return upon its investment, a Purchaser of such Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Reference.

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to a Reference Entity or, with respect to Basket Notes and Tranche Notes, Reference Entities, in each case as specified in the applicable Final Terms, the obligation of the Issuer to pay principal at maturity may be replaced by (i) an obligation to pay other amounts which are equal to either certain fixed amount(s) as specified in the applicable Final Terms or amounts calculated by reference to the value of the underlying asset(s) (which may, in each case, be less than the par value of the Notes at the relevant time) and/or (ii) an obligation to deliver the underlying asset(s). In addition, interest-bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances.

Accordingly, Noteholders may be exposed to fluctuations in the creditworthiness of the Reference Entities to the full extent of their investment in the Credit Linked Notes.

Under the terms of the Notes, where Société Générale acts as Calculation Agent, it may, for the purposes of determining the Cash Redemption Amount or the Physical Delivery Amount following one or more Credit Event(s), select obligations with the lowest price of any obligations which meet the relevant criteria. In making such selection, the Calculation Agent will not be liable to account to the Noteholders, or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from such selection.

The Cash Redemption Amount may be equal to zero if it is not possible to obtain quotations from Quotation Dealers for the selected obligations.

#### *Settlement*

Under the Notes, the Final Value of a Selected Obligation is one of the factors in the determination of the redemption amount of the Notes at their Maturity Date. The terms of the Credit Linked Notes provide that the Calculation Agent may, in certain circumstances, choose to determine the Final Value in respect of a Selected Obligation either by obtaining quotations from Quotation Dealers or by reference to Transaction Auction Settlement Terms (all as defined in the Credit Technical Annex). In this regard, investors should note that: (i) the Final Value as determined by reference to Transaction Auction Settlement Terms may differ from the Final Value determined otherwise and a lower Final Value will typically reduce the amount payable to Noteholders upon redemption of the Notes; and (ii) the Calculation Agent may have a conflict of interest to the extent that it participates in the establishment of the Transaction Auction Settlement Terms and potentially influences the pricing mechanism.

If Transaction Auction Settlement Terms are not published within a certain period and if it is not possible to obtain quotations from Quotation Dealers for the Selected Obligations within a further period, the Final Value of the Selected Obligations will be deemed to be zero and therefore the Cash Settlement Amount will be equal to zero. In addition, the above-mentioned periods between Credit Event and valuation may amount to as many as 180 Business Days following the date on which the existence of a Credit Event is established, therefore, settlement, or as the case may be, notice that no amount is due under the Credit Linked Notes, may occur several months after the relevant Credit Event on a date which may be much later than the Scheduled Maturity Date of the Notes.

#### *Certain considerations associated with Managed Assets Portfolio Linked Notes*

Managed Assets Portfolio Linked Notes may be linked to a portfolio often comprising assets with a greater potential for return and consequently greater risk (such as, but without limitation, hedge funds or funds of hedge funds) and assets with a lower potential for return and consequently lesser risk (such as, but without limitation, money market funds or bonds issued by issuers with a high credit rating). The portfolio may also include leverage or the taking of short positions on certain specified terms. The portfolio is dynamically managed and may be rebalanced between the relevant assets based upon a specified allocation methodology. The value of Managed Assets Portfolio Linked Notes is determined by reference to the value of the underlying portfolio at different times. This portfolio may change during the term of the Notes; such changes or the timing thereof may affect the value of, and any return on, the Notes.

Considering the above aspects, Managed Assets Portfolio Linked Notes are by their nature intrinsically complex, which makes their evaluation difficult, in terms of risk and return at the time of the purchase as well as thereafter. Investors should therefore purchase Managed Portfolio Linked Notes only after having completely understood and evaluated either themselves or with a financial adviser the nature and the risk inherent to the Managed Assets Portfolio Linked Notes.

*Physical Delivery Notes*

In the case of Notes which are redeemable by delivery of assets, if a Settlement Disruption Event (as described in the applicable Final Terms) occurs or exists on the due date for redemption of the Notes, such delivery shall occur on the first succeeding day on which delivery of the Physical Delivery Amount can take place through the relevant Clearing System unless a Settlement Disruption Event prevents delivery for a period of 20 Clearing System Days immediately following the original date that would have been the Settlement Date. In that latter case, the Issuer shall, in lieu of delivering the Physical Delivery Amount, pay, in respect of each Note, the fair market value of the number of Underlying(s) to be delivered converted into the Specified Currency at the current exchange rate, if applicable. The Fair Market Value will be determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.

### **Risks relating to Preference Share Linked Notes**

The Issuer may issue Preference Share Linked Notes where the amount payable on redemption is determined by reference to the changes in the value of the preference shares (**Preference Shares**) issued by Solentis Investment Solutions PCC (the **Preference Share Issuer**), which may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the **Preference Share Underlying**) as set out in the terms and conditions of the Preference Shares (the **Terms of the Preference Shares**). If, as a result of the performance of the Preference Share Underlying, the performance of the Preference Shares is negative the value of the Preference Share Linked Notes will be adversely affected. Purchasers of Preference Share Linked Notes risk losing all or a part of their investment if the value of the Preference Shares falls.

Potential investors in Preference Share Linked Notes should be aware that an investment in Preference Share Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential investors in Preference Share Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Preference Share Linked Notes, prospective investors should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this document.

Preference Share Linked Notes will be subject to early redemption if an Early Redemption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount. The Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

#### *Exposure to the Preference Share Underlying*

The Preference Share Underlying may be a specified index or basket of indices, a specified equity or basket of equities, a specified commodity or basket of commodities, a specified fund share or unit or basket of fund shares or units or such other underlying instruments, bases of reference or factors as may be determined by the Preference Share Issuer and specified in the terms and conditions of the relevant series of Preference Shares. **Consequently potential investors should also consider the risk factors in respect of the risks involved in investing in Notes (in this case the Preference Shares) linked to certain Reference Asset(s).**

The Terms of the Preference Shares provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Terms of the Preference Shares). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Terms of the Preference Shares and consult with their own professional advisers if they consider it necessary.

#### *Credit Risk of the Preference Share Issuer*

Preference Share Linked Notes are linked to the performance of the relevant Preference Shares. Investors bear the risk of an investment in the Preference Share Issuer. The value of the Preference Share Linked Notes is dependent on the value of the Preference Shares, which will depend in part on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share Linked Notes.

#### *Potential conflicts of interest*

Codeis Securities SA is the Issuer and unless otherwise specified in the Final Terms, Societe Generale is the Calculation Agent in respect of Preference Share Linked Notes and also acts as calculation agent in respect of the Preference Shares (the **Preference Share Calculation Agent**). The Issuer and Societe Generale are affiliates. As a result of this relationship, potential conflicts of interest may arise for the Issuer and Societe Generale in acting in their respective capacities. Subject to any relevant

regulatory obligations, the Issuer and the Preference Share Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder. The Preference Share Issuer may also rely on other Societe Generale group entities (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Societe Generale group entity or other service provider fails to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, Societe Generale or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, being involved in arrangements relating to any Preference Share Underlying (for example as calculation agent). Further, Societe Generale or any of its affiliates (including the Issuer) may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer, the Preference Shares or any Preference Share Underlying and as a result Societe Generale may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

#### *Determination of Extraordinary Events and Additional Disruption Events*

The Calculation Agent may determine the occurrence of a Merger Event, Tender Offer, Insolvency or Additional Disruption Event in relation to the Preference Share Linked Notes. Upon such determination, the Issuer may, at its option redeem the Preference Share Linked Notes in whole at the Early Redemption Amount which may be less than the amount invested in the Preference Share Linked Notes. Noteholders will not benefit from any appreciation of the Preference Shares that may occur following such redemption.

#### *No ownership rights*

An investment in Preference Share Linked Notes is not the same as an investment in the Preference Shares and does not confer any legal or beneficial interest in the Preference Shares or any Preference Share Underlying or any voting rights, right to receive dividends or other rights that a holder of the Preference Shares or any Preference Share Underlying may have.

#### *Hedging activities of the Issuer and its affiliates*

The Issuer or its affiliates may carry out hedging activities related to the Preference Share Linked Notes, including purchasing the Preference Shares and/or purchasing or entering into contracts relating to the Preference Share Underlying, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Preference Shares and/or purchase and sell or enter into contracts relating to the Preference Share Underlying on a regular basis as part of their regular business. Any of these activities could adversely affect the value of the Preference Share Underlying and, accordingly, the value of the Preference Shares and the Preference Share Linked Notes.

#### **Risks relating to Warrant Linked Notes**

The Issuer may issue Warrant Linked Notes where the amount payable on redemption is determined by reference to the changes in the value of warrants issued by the Warrant Issuer (**Warrants**). The value of the Warrants may fluctuate up or down depending on the performance of the relevant underlying asset(s) or basis of reference to which the Warrants are linked (the **Warrant Underlying**) as set out in the terms and conditions of the Warrants (the **Warrant Conditions**). If, as a result of the performance of the Warrant Underlying, the performance of the Warrants is negative the value of the Warrant Linked Notes will be adversely affected. Purchasers of Warrant Linked Notes risk losing all or a part of their investment if the value of the Warrants falls.



Potential investors in Warrant Linked Notes should be aware that an investment in Warrant Linked Notes will entail significant risks not associated with a conventional debt or equity security. Potential investors in Warrant Linked Notes should conduct their own investigations and, in deciding whether or not to purchase the Warrant Linked Notes, prospective investors should form their own views of the merits of an investment related to the Warrants based upon such investigations and not in reliance on any information given in this document.

Warrant Linked Notes will be subject to early redemption if a Warrant Termination Event occurs or, if applicable, an Additional Disruption Event occurs. In these circumstances the Issuer may redeem the Notes at the Early Redemption Amount. The Early Redemption Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

*Exposure to the Warrant Underlying*

The Warrant Underlying may include an index or basket of indices in each case comprising listed equities or commodities, a specified listed equity or basket of listed equities or a specified commodity or basket of commodities. **Consequently potential investors should also consider the risk factors in respect of the risks involved in investing in Notes (in this case the Warrants) linked to certain Reference Asset(s).**

Investors should review the Warrant Conditions and consult with their own professional advisers if they consider it necessary.

*Credit Risk of the issuer of the Warrants*

Warrant Linked Notes are linked to the performance of the relevant Warrants. Investors bear the risk of an investment in the issuer of the Warrants. The value of the Warrant Linked Notes is dependent on the value of the Warrants, which will depend in part on the creditworthiness of the issuer of the Warrants, which may vary over the term of the Warrant Linked Notes.

*Potential conflicts of interest*

In the case of Warrant Linked Notes, Codeis Securities SA is the Issuer and may also be the issuer and/or the calculation agent in respect of the Warrants underlying the Notes. Potential conflicts of interest may arise for the Issuer in acting in each of these capacities. In addition as issuer or calculation agent in respect of the warrants underlying the Notes, the Issuer or any of its affiliates may perform further or alternative roles including, but not limited to, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent).

*Determination of Extraordinary Events and Additional Disruption Events*

The Calculation Agent may determine the occurrence of a Warrant Termination Event or Additional Disruption Event in relation to the Warrant Linked Notes. Upon such determination, the Issuer may, at its option redeem the Warrant Linked Notes in whole at the Early Redemption Amount, which may be less than the amount invested in the Warrant Linked Notes. Noteholders will not benefit from any appreciation of the Warrants that may occur following such redemption.

*No ownership rights*

An investment in Warrant Linked Notes is not the same as an investment in the Warrants and does not confer any legal or beneficial interest in the Warrants or any Warrant Underlying or any rights that a holder of the Warrants or any Warrant Underlying may have.

*Hedging activities of the Issuer and its affiliates*

The Issuer or its affiliates may carry out hedging activities related to the Warrant Linked Notes, including purchasing the Warrants and/or purchasing or entering into contracts relating to the Warrant Underlying,

but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Warrants and/or purchase and sell or enter into contracts relating to the Warrant Underlying on a regular basis as part of their regular business. Any of these activities could adversely affect the value of the Warrant Underlying and, accordingly, the value of the Warrants and the Warrant Linked Notes.

**C. Risks relating to the global financial crisis**

*General*

Noteholders should be aware of the prevailing and widely reported global financial crisis. There can be no assurance that the steps taken by governments to ameliorate the global financial crisis will be successful or that the global financial crisis will not worsen. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who has held securities in the period since the start of the global financial crisis, particularly structured securities such as the Notes, is highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. A significant number of credit events has occurred in respect of reference entities referenced in structured securities. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

*Impact on Liquidity*

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets such as the Notes and the obligations of financial institutions. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class (including the Notes) or in the obligations of any particular financial institution, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes, the value of any Compartment Assets, the value of any Reference Asset, the value of any Related Agreements or the value of any Swap Agreement, both in terms of the assets or indices referenced and in terms of the value of the obligations of the counterparty to the Swap Agreement (the **Swap Counterparty**). In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Charged Assets and the termination value of the Swap Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Custodian, the Issuing and Paying Agent and the other Paying Agents may also impact the value of the Notes.

*Impact on Credit*

The events outlined above have negatively affected the creditworthiness of a number of entities, in some cases to the extent of collapse or government rescue. Such credit deterioration is widespread and is no longer confined to the financial services sector. The value of the Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities in the future which may include the obligors of Compartment Assets (or any guarantor or credit support provider in respect thereof), reference entities in respect of Credit-Linked Notes and the relevant counterparties. Prospective investors should also consider the impact of a default by a Custodian, Issue and Paying Agent or Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

*Impact on Valuations and Calculations*

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Potential investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

*Impact of Increased Regulation and Nationalisation*

As a result of the global financial crisis there has been an increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. It is uncertain how a changed regulatory environment will affect the treatment of instruments such as the Notes or will affect any transaction counterparty. In addition, governments have shown an increased willingness wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of Compartment Assets (or any guarantor or credit support provider in respect thereof), reference entities in respect of Credit-Linked Notes, the Swap Counterparty or any other person or entity connected with the Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note.

*Systemic Risk*

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as the Arranger, the Dealer(s), the Trustee, the Swap Counterparty (or any credit support provider of the Swap Counterparty), the Custodian and the other Agents (or any Affiliate of any of them) and any reference entities or obligors of the Compartment Assets (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (i) The base prospectus dated 28 February 2008 (the **February 2008 Base Prospectus**), the base prospectus dated 24 October 2008 and the supplement thereto dated 12 March 2009, (the **October 2008 Base Prospectus**, and together with the February 2008 Base Prospectus, the **2008 Bases Prospectuses**), the base prospectus dated 2 November 2009 (the **2009 Base Prospectus**), the base prospectus dated 28 October 2010 (the **2010 Base Prospectus**), the base prospectus dated 27 October 2011 and the supplements thereto dated 9 February 2012 and 14 March 2012 (the **2011 Base Prospectus**, and, together with the 2008 Base Prospectuses, the 2009 Base Prospectus and the 2010 Base Prospectus, the **Previous Base Prospectuses**).

For the avoidance of doubt, the supplements dated 17 November 2008, 29 May 2008, 19 May 2009, 17 July 2009 and 13 August 2009 to the October 2008 Base Prospectus, those dated 3 December 2009, 5 February 2010, 26 March 2010, 19 May 2010 and 25 August 2010 to the 2009 Base Prospectus, those dated 21 February 2011, 18 March 2011, 7 April 2011, 16 June 2011, 18 August 2011 and 26 September 2011 to the 2010 Base Prospectus and those dated 16 November 2011, 13 December 2011, 2 February 2012 and 23 February 2012 to the 2011 Base Prospectus and which are not referred to in paragraph (i) above are not incorporated by reference into this Base Prospectus;

- (ii) The English translation of the first update to the *document de référence* 2012 of Societe Generale, the French version of which was filed with the *Autorité des marchés financiers* (hereinafter the **AMF**) on 7 May 2012 under No D 12-0125-A01, except for (i) the inside cover page containing the AMF visa and the related textbox, (ii) the statement of the person responsible for updating the registration document made by Mr. Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, page 81 and (iii) the cross reference table, pages 83-84 ((i), (ii) and (iii) together hereinafter, the **2012 First Update Excluded Sections**, and the English version of the first update to the *document de référence* 2012 of Societe Generale without the 2012 First Update Excluded Sections, hereinafter the **First Update to the 2012 Registration Document**).

To the extent that the First Update to the 2012 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein. Any reference to the First Update to the 2012 Registration Document shall be deemed to exclude the 2012 First Update Excluded Sections.

- (iii) The English translation of the *document de référence* 2012 of Societe Generale, the French version of which was filed with the AMF on 2 March 2012 under No D 12-0125, except for (i) the inside cover page containing the AMF visa and the related textbox, (ii) the statement of the person responsible for the registration document and the annual financial report made by Mr. Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, page 444 and (iii) the cross reference table, pages 448-450 ((i), (ii) and (iii) together hereinafter, the **2012 Excluded Sections**, and the English version of the *document de référence* 2012 of Societe Generale without the 2012 Excluded Sections, hereinafter the **2012 Registration Document**).

To the extent that the 2012 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein. Any reference to the 2012 Registration Document shall be deemed to exclude the 2012 Excluded Sections.

- (iv) The English translation of the *document de référence* 2011 of Societe Generale, the French version of which was filed with the AMF on 4 March 2011 under No D 11-0096, except for (i) the inside cover page containing the AMF visa and the related textbox, (ii) the statement of the person responsible for the registration document and the annual financial report made by Mr. Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, page 434 and (iii) the cross reference table, pages 437-

439 ((i), (ii) and (iii) together hereinafter, the **2011 Excluded Sections**, and the English version of the *document de référence 2012* of Societe Generale without the 2011 Excluded Sections, hereinafter the **2011 Registration Document**).

To the extent that the 2011 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein. Any reference to the 2011 Registration Document shall be deemed to exclude the 2011 Excluded Sections.

- (v) The annual accounts and report of the approved independent auditor of Codeis Securities SA (*société anonyme*) for the financial year ended 31 December 2011 (the **Issuer's 2011 Audited Financial Statements**).
- (vi) The annual accounts and report of the independent statutory auditor of Codeis Securities SA (*société anonyme*) for the financial year ended 31 December 2010 (the **Issuer's 2010 Audited Financial Statements**).

Any reference in the documents incorporated by reference to the First Update to the 2012 Registration Document, the 2012 Registration Document and to the 2011 Registration Document shall be deemed to exclude the sections and pages excluded above.

The First Update to the 2012 Registration Document (page 50), the 2012 Registration Document (pages 3 and 61) and the 2011 Registration Document (pages 2 and 58) contain references to the credit rating of Societe Generale issued by Moody's France SAS., Fitch France S.A.S. and Standard & Poor's Credit Market Services S.A.S. As at the date of this Base Prospectus, each of Moody's France S.A.S., Fitch France S.A.S. and Standard & Poor's Credit Market Services S.A.S. is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu)).

Following the publication of this Base Prospectus, the Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus (a **Supplement**) in accordance with Article 16 of the Prospectus Directive or publish a new prospectus for use in connection with any subsequent issue of Notes. Such Supplement as prepared will have to be approved by the CSSF. Statements contained in any such Supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive, investors who have already agreed to purchase or subscribe for Notes before any Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. Investors should be aware, however, that the law of the jurisdiction in which they have accepted an offer of Notes may provide for a longer time limit.

The documents incorporated by reference in paragraphs (ii), (iii) and (iv) above are direct and accurate English translation of the original French version of such documents. Société Générale accepts responsibility for such documents. In the event of discrepancy between the original French version and the English translation of the documents incorporated by reference into this Base Prospectus, the French version shall prevail.

Copies of documents incorporated by reference into this Base Prospectus can be obtained without charge from the office of Societe Generale and the specified office of each of the Paying Agents (as defined below), in each case at the address given at the end of this Base Prospectus. This Base Prospectus and the documents incorporated by reference are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**COMPARATIVE TABLES FOR DOCUMENTS INCORPORATED BY REFERENCE**

The non-incorporated parts and the non-incorporated documents referred to above are not incorporated by reference as they are not relevant for an investor pursuant to article 28.4 of Commission Regulation (EC) N° 809/2004 of 29 April 2004.

**CROSS-REFERENCE LIST FOR SOCIETE GENERALE**

References to pages below are to those of the 2011 Registration Document, the 2012 Registration Document and the First Update to the 2012 Registration Document, respectively.

<b>Annex XI of Commission Regulation (EC) N°809/2004 of 29 April 2004</b>		<b>2011 Registration Document</b>	<b>2012 Registration Document</b>	<b>First Update to the 2012 Registration Document</b>
<b>3</b>	<b>RISK FACTORS</b>			
<b>3.1.</b>	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".		196-239	38-43; Annex 1 <sup>1</sup>
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>			
<b>4.1.</b>	<b><u>History and development of the issuer:</u></b>		2; 33	
<b>4.1.1.</b>	the legal and commercial name of the issuer;		33	
<b>4.1.2.</b>	the place of registration of the issuer and its registration number;		33	
<b>4.1.3.</b>	the date of incorporation and the length of life of the Issuer, except where indefinite;		33	
<b>4.1.4.</b>	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);		33	
<b>5.</b>	<b>BUSINESS OVERVIEW</b>			
<b>5.1.</b>	<b><u>Principal activities:</u></b>		6-17; 63-66	3
<b>5.1.1.</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;		6-17	3
<b>5.1.2.</b>	An indication of any significant new products and/or activities;		63-66	3
<b>5.1.3.</b>	<b><u>Principal markets</u></b>		359-362	
<b>5.1.4.</b>	The basis for any statements in the registration document made by the issuer regarding its competitive position.		6-17	
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>			
<b>6.1.</b>	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.		3; 38-39	
<b>6.2.</b>	Whether the issuer is dependent on other entities within the group		43-59; 353-362; 412-425	
<b>7.</b>	<b>TREND INFORMATION</b>			
<b>7.2.</b>	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.		68	

<sup>1</sup> Pillar 3 Report attached to the First Update to the 2012 Registration Document



<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>			
<b>9.1.</b>	Names, business addresses and functions in the Issuer of the members of the administrative, management, and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer.		76-89	5
<b>9.2.</b>	<b><u>Administrative, Management, and Supervisory bodies conflicts of interests.</u></b>		90	
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>			
<b>10.1.</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.		26-29; 34	
<b>11.</b>	<b>FINANCIAL, INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES OF THE ISSUER</b>			
<b>11.1.</b>	<b><u>Historical financial information</u></b>	223-342; 345-415	246-362; 365-425	
<b>11.2.</b>	<b><u>Financial statements</u></b>	223-342; 345-415	246-362; 365-425	
	- Consolidated balance sheet;	223-224	246-247	
	- Consolidated income statement;	225	248	
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<b>11.3.</b>	<b><u>Auditing of the historical annual financial information</u></b>	343-344; 416-417	363-364; 426-427	
<b>11.4.</b>	<b><u>Age of latest financial information</u></b>	223; 345	246; 365	
<b>11.5.</b>	<b><u>Interim financial information</u></b>			44-71
<b>11.6.</b>	<b><u>Legal and arbitration proceedings</u></b>		235-237	

**CROSS REFERENCE LIST RELATING TO FINANCIAL STATEMENTS OF  
CODEIS SECURITIES SA**

References to pages below are to those of the 2011 Issuer's Audited Financial Statements and the 2010 Issuer's Audited Financial Statements, respectively.

<b>Codeis Securities SA audited annual financial statements for the financial years ended 31 December 2010 and 31 December 2011, the related notes and the independent auditor's reports</b>	2010 Issuer's Audited Financial Statements	2011 Issuer's Audited Financial Statements
Balance sheet relating to Codeis Securities SA	8;11	9;11
Profit and loss account relating to Codeis Securities SA	9;12	10;12
Balance sheet relating to the Compartments of Codeis Securities SA	13;15;17;19;21;23;25;27;29;31;33;35;37;39;41;43;45;47;49;51;53;55;57;59;61 and 63	13;15;17;19;21;23;25;27;29;31;33;36;38;40;42;44;46;48;50;52;54;56;58;60;62;64;66;68 and 70
Profit and loss account relating to the Compartments of Codeis Securities SA	14;16;18;20;22;24;26;28;30;32;34;36;38;40;42;44;46;48;50;52;54;56;58;60;62 and 64	14;16;18;20;22;24;26;28;30;32;34;35;37;39;41;43;45;47;49;51;53;55;57;59;61;63;65;67;69 and 71
Notes to the annual accounts	65-80	72-90
Independent auditor's report	6-7	7-8

**CROSS REFERENCE LIST FOR PREVIOUS BASE PROSPECTUSES**

References to pages are to those of the Previous Base Prospectuses.

<b>PREVIOUS BASE PROSPECTUSES</b>	
<b>2008 Base Prospectuses</b>	
<b>- February 2008 Base Prospectus</b>	Terms and conditions of the Notes : 109-275
<b>- October 2008 Base Prospectus</b>	Terms and conditions of the Notes : 115-282 Supplement dated 12 March 2009 : 2-5
<b>2009 Base Prospectus</b>	Terms and conditions of the Notes : 132-310
<b>2010 Base Prospectus</b>	Terms and conditions of the Notes : 122-318
<b>2011 Base Prospectus</b>	Terms and conditions of the Notes : 124-326 Supplement dated 9 February 2012 : 4; 23-26 Supplement dated 14 March 2012 : 4-5

## FORM OF THE NOTES

### DEFINITIONS

The following terms shall have the following meanings when used in this section:

<b>Bearer Definitive Notes</b>	means definitive Notes which are in bearer form.
<b>Bearer Global Note</b>	means a Temporary Bearer Global Note or a Permanent Bearer Global Note.
<b>Bearer Notes</b>	means Notes which are in bearer form.
<b>Clearstream, Luxembourg</b>	means Clearstream Banking, <i>société anonyme</i> .
<b>Common Depository</b>	means a depository common to the ICSDs.
<b>Common Safekeeper</b>	means a common safekeeper for the ICSDs.
<b>Euroclear</b>	means Euroclear Bank SA/N.V.
<b>Eurosystem</b>	means the European System of Central Banks as the term is used by the Governing Council of the European Central Bank.
<b>Eurosystem-eligible NGNs</b>	means NGNs which are intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms.
<b>Eurosystem-eligible NSSRGNs</b>	means NSSRGNs which are intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms.
<b>Global Notes</b>	means Bearer Global Notes or Registered Global Notes.
<b>ICSD</b>	means any or each of Euroclear and Clearstream, Luxembourg.
<b>New Global Notes or NGNs</b>	means temporary Bearer Global Notes or permanent Bearer Global Notes in either case where the applicable Final Terms indicate that such Notes are intended to be issued in new global note form.
<b>Non-U.S. Registered Notes</b>	means Registered Notes sold exclusively outside the United States in reliance on Regulation S and permanently restricted from sale, transfer or delivery in the United States or to a U.S. Person.
<b>NSS Registered Global Notes or NSSRGNs</b>	means Registered Global Notes where the applicable Final Terms indicate that such Notes are intended to be issued under the new safekeeping structure.
<b>Permanently Restricted Notes</b>	means Non-U.S. Registered Notes and Uncertificated Notes which are designated in the applicable Final Terms to be Permanently Restricted Notes.
<b>Registered Definitive Notes</b>	means definitive Notes which are in registered form.
<b>Registered Global Notes</b>	means global Notes which are in registered form.
<b>Registered Notes</b>	means Notes which are in certificated registered form.
<b>Uncertificated Notes</b>	means Notes which are in uncertificated and dematerialised book-entry form and shall include SIS Notes and EUI Notes (each such term as defined below).

Each Tranche of Notes will be either Bearer Notes (with or without Receipts or Coupons attached) issued outside the United States to non-U.S. Persons in reliance on the exemption from registration provided by Regulation S or Registered Notes (without Receipts or Coupons attached) issued outside the United States to non-U.S. Persons in reliance on the exemption from registration provided by Regulation S and/or within the United States to persons or outside the United States to U.S. Persons in reliance on Rule 144A under the Securities Act.

#### **BEARER NOTES**

Each Tranche of Bearer Notes (except for SIS Notes, as defined below) will be initially issued in the form of a temporary Bearer Global Note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent Bearer Global Note (a **Permanent Bearer Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in Eurosystem-eligible NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for the ICSDs; and
- (ii) if the Global Notes are not intended to be issued in Eurosystem-eligible NGN form, be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Bearer Global Notes (except for SIS Notes) will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg as the case may be.

Each Tranche of Swedish Notes will be represented on issue by a Permanent Bearer Global Note. No Temporary Bearer Global Notes are expected to be issued in respect of the Swedish Notes.

The Bearer Notes of each Tranche offered and sold in reliance on Regulation S may not be offered or sold in the United States or to, or for the benefit or account of, a U.S. Person, and such Bearer Notes will bear a legend regarding such restrictions on transfer. Any future transfer, resale, pledge or delivery of such Bearer Notes or any interest therein may only be made in compliance with the resale provisions set forth in Regulation S of the Securities Act.

In the event that a Bearer Global Note, other than an SIS Note, held on behalf of Euroclear and/or Clearstream, Luxembourg (or any part thereof) has become due and repayable in accordance with the Conditions or that the Maturity Date has occurred and, in either case, payment in full of the amount due has not been made to the bearer in accordance with the Conditions, then the Global Note will become void. At the same time, accountholders with Euroclear and/or Clearstream, Luxembourg having such Notes (other than Bearer Definitive Notes) credited to their accounts will become entitled to proceed directly against the Issuer, on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg.

#### **REGISTERED NOTES**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. Persons outside the United States, will initially be represented by a Regulation S Global Note or a Non-U.S. Registered Global Note (in each case, as defined in Condition 2.1(i) (*Definitions*)) of the Terms and Conditions of the Notes. Beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. Person save as otherwise provided in Condition 2 (*Transfer of Registered Notes and Uncertificated Notes*) of the Terms and Conditions of the Notes and, prior to the expiry of the Distribution Compliance Period, as defined in Condition 2.1(i) (*Definitions*) of the Terms and Conditions of the Notes, may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Non-U.S. Registered Notes, or any interest therein, may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised. Non-U.S. Registered Global Notes may not be legally or beneficially owned at any time by any U.S. Person and

accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S. Interests in Non-U.S. Registered Notes may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Non-U.S. Registered Notes will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche eligible for sale in private transactions in the United States to persons or to U.S. Persons outside the United States that are both QIBs and QPs will initially be represented by a Rule 144A Global Note (each as defined in Condition 2.1(i) (*Definitions*)) (see "*Terms and Conditions of the Notes*"). Any Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

The Registered Notes of each Tranche eligible for sale in private transactions in the United States to persons or outside the United States to U.S. Persons that are both QIBs and QPs and to non-U.S. Persons outside the United States in reliance on Regulation S will initially be represented by a Combined Global Note (as defined in Condition 2.1(i) (*Definitions*)), (see "*Terms and Conditions of the Notes*"). Any Combined Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Registered Global Notes (being Rule 144A Global Notes, Regulation S Global Notes, Combined Global Notes or Non-U.S. Registered Global Notes) will, as specified in the applicable Final Terms, either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC (in the case of Rule 144A Global Notes and Regulation S Global Notes only) or a nominee for the Common Depositary (if the Registered Global Note is not intended to be issued in Eurosystem-eligible NSSRGN form) or (ii) a Common Safekeeper (if the Registered Global Note is intended to be issued in Eurosystem-eligible NSSRGN form). Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Definitive Notes.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(e) (*Payments in respect of Registered Notes*)) (see "*Terms and Conditions of the Notes*") as the registered holder of the Registered Global Notes. None of the Issuer, the Guarantor or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of Registered Definitive Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(e) (*Payments in respect of Registered Notes*)) (see "*Terms and Conditions of the Notes*") immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

## **EUI NOTES**

EUI Notes will be held in registered uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the **Regulations**) and as such are dematerialised and not constituted by any physical document of title. The EUI Notes are participating securities for the purposes of the Regulations. Title to the EUI Notes is recorded on the relevant Operator register of corporate securities. The EUI Agent on behalf of the Issuer shall, in relation to the EUI Notes, maintain a record of uncertificated corporate securities in accordance with the records of Euroclear UK & Ireland Limited (**EUI** or **CREST**) (formerly known as CRESTCo Limited) (the **Record**) and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of EUI Notes shall be treated by the Issuer

and the EUI Agent as the holder of such number of EUI Notes for all purposes (and the expression **EUI Holder** and related expressions shall be construed accordingly), and (ii) neither the Issuer, the Guarantor nor the EUI Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the EUI Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the EUI Notes. For the avoidance of doubt, in the event of any differences in information contained in the Record and the register of EUI Notes in registered form kept at the Issuer's registered office, the register kept at the Issuer's registered office shall prevail for Luxembourg law purposes.

No provision of the Conditions of any EUI Notes shall apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to EUI Notes (ii) the transfer of title to EUI Notes by means of a relevant system or (iii) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in the Conditions of any EUI Notes, so long as the EUI Notes are participating securities, (a) any EUI Notes which are not for the time being in all respects identical to, or do not for the time being have rights attached thereto identical in all respects to those attached to, other EUI Notes of the same Series shall be deemed to constitute a separate Series of EUI Notes, (b) the Operator register of corporate securities relating to the EUI Notes shall be maintained at all times in the United Kingdom, (c) the EUI Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (d) for the avoidance of doubt, the Conditions of any EUI Notes shall remain applicable notwithstanding that they are not endorsed on any certificate for such EUI Notes.

As used herein each of "Operator register of corporate securities", "participating securities", "record of uncertificated corporate securities" and "relevant system" is as defined in the Regulations and the relevant "Operator" (as such term is used in the Regulations) is EUI (formerly CRESTCo. Limited) or any additional or alternative operator from time to time approved by the Issuer, the Guarantor and the EUI Agent in relation to the EUI Notes and in accordance with the Regulations. Any reference herein to the Operator shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the EUI Holders.

Any indication herein that the Operator "shall" do, or similar expression or phrase indicating that they are obliged to or will carry out any role or obligation described in these Conditions and/or the applicable Final Terms, as the case may be, is given without any assumption by the Issuer, the Guarantor, the EUI Agent or the Calculation Agent, of responsibility or liability for the performance of the Operator.

In respect of dematerialised CREST depository interests (**CDIs**), investors will hold CDIs constituted and issued by CREST Depository Limited and representing indirect interests in the Notes. The CDIs will be issued and settled through CREST.

Neither the Notes nor any rights thereto will be issued, held, transferred or settled within the CREST system otherwise than through the issue, holding, transfer and settlement of CDIs.

Holders of CDIs will not be entitled to deal directly in Notes and accordingly all dealings in the Notes will be effected through CREST in relation to holding of CDIs.

All references in this Base Prospectus to "EUI Notes" shall, where the context admits, include CDIs.

EUI Notes (and, in each case, any non-contractual obligations arising therefrom or connected therewith) will be governed by, and construed in accordance with, English law.

## **SIS NOTES**

Each Tranche of SIS Notes (**SIS Notes**) will be issued either (i) in bearer form (**Bearer SIS Notes**) or (ii) in uncertificated form (**Uncertificated SIS Notes**), in each case, which are, or are intended to be, deposited or registered with and cleared through the Swiss securities services corporation, SIS SIX Ltd (**SIS**) or any other clearing institution recognised by the SIX Swiss Exchange Ltd (**SIX Swiss Exchange**). The applicable Final Terms will indicate whether SIS Notes are CHF SIS Notes or Other SIS Notes (each as defined below) or Uncertificated SIS Notes.

### Bearer SIS Notes

Each Tranche of Bearer SIS Notes will be represented by a permanent global Note (**Permanent Bearer Global SIS Note**) which will be deposited by the Principal Swiss Paying Agent with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or any other such intermediary, the **Intermediary**) on or prior to the original issue date of the Tranche. Once the Permanent Bearer Global SIS Note has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bearer SIS Notes represented thereby will constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) (the **Intermediated Securities**).

Each holder of Bearer SIS Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Bearer Global SIS Note representing such Bearer SIS Notes to the extent of his claim against the Issuer, provided that for so long as the Permanent Bearer Global SIS Note remains deposited with the Intermediary, the co-ownership interest shall be suspended and such Bearer SIS Notes may only be transferred by the entry of the transferred Bearer SIS Notes in a securities account (*Effektenkonto*) of the transferee.

The records of the Intermediary will determine the number of Bearer SIS Notes held through each participant of the Intermediary. In respect of Bearer SIS Notes held in the form of Intermediated Securities, the holders of such Bearer SIS Notes will be the persons holding such Bearer SIS Notes in a securities account that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries holding such Bearer SIS Notes for their own account in a securities account that is in their name (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly).

Bearer SIS Notes denominated in Swiss Francs benefit from a limited exception to the certification requirement of the TEFRA D Rules, if such Bearer SIS Notes fulfil the relevant requirements set out below. Bearer SIS Notes denominated in Swiss Francs which fulfil these requirements are hereinafter referred to as **CHF SIS Notes**. Bearer SIS Notes denominated in Swiss Francs that do not fulfil these requirements and Bearer SIS Notes denominated in a currency approved by SIS other than Swiss Francs are hereinafter referred to as **Other SIS Notes**. Other SIS Notes may be subject to additional selling restrictions and additional U.S. tax disclosure as set out in the applicable Final Terms.

Special procedures must be followed for CHF SIS Notes in order for such Notes to be exempt from Certification (as defined below). Each of the relevant Dealers must have represented and agreed in the Programme Agreement that (a) it will comply with U.S. selling restrictions in so far as they apply to CHF SIS Notes and (b) the offering and sale of the CHF SIS Notes has been and will be conducted in accordance with Swiss laws and regulations. The following criteria must be fulfilled in order for the limited exception to the certification requirement of the TEFRA D Rules to apply:

- (1) the interest on, and the principal of, the CHF SIS Notes are denominated only in Swiss Francs;
- (2) the interest on, and the principal of, the CHF SIS Notes are payable only in Switzerland;
- (3) the CHF SIS Notes are offered and sold in accordance with Swiss customary practice and documentation;
- (4) the relevant Dealers agree to use reasonable efforts to sell the CHF SIS Notes within Switzerland;
- (5) the CHF SIS Notes are not listed, or subject to an application for listing, on an exchange located outside Switzerland;
- (6) the issuance of the CHF SIS Notes is subject to guidelines or restrictions imposed by Swiss governmental, banking or securities authorities; and
- (7) more than 80 per cent. by value of the CHF SIS Notes included in the offering of which they are part are offered and sold to non-Dealers by Dealers maintaining an office located in Switzerland.

No holder of Bearer SIS Notes will at any time have the right to effect or demand the conversion of the Permanent Bearer Global SIS Note representing such Bearer SIS Notes into, or the delivery of, Bearer SIS Notes in definitive form (**Definitive Bearer SIS Notes**) or uncertificated form.



No physical delivery of the Bearer SIS Notes shall be made unless and until Definitive Bearer SIS Notes have been printed. The relevant Permanent Bearer Global SIS Note will only be exchangeable, in whole, but not in part, for Definitive Bearer SIS Notes and Definitive Bearer SIS Notes may only be printed upon the occurrence of a Bearer SIS Notes Exchange Event (as defined below in the section "*Exchange of Permanent Bearer Notes and Registered Global Notes upon the occurrence of an Exchange Event*"). Upon the occurrence of a Bearer SIS Notes Exchange Event, the Principal Swiss Paying Agent or the relevant lead manager, as the case may be, shall provide for the printing of Definitive Bearer SIS Notes without cost to the holders of the relevant Bearer SIS Notes. If Definitive Bearer SIS Notes are delivered, the relevant Bearer SIS Notes will immediately be cancelled by the Principal Swiss Paying Agent or the relevant lead manager, as the case may be, and the Definitive Bearer SIS notes shall be delivered to the relevant holders against cancellation of the relevant Bearer SIS Notes in such holders' securities accounts.

Bearer SIS Notes (and, in each case, any non-contractual obligations arising therefrom or connected therewith) will be governed by, and construed in accordance with, English law.

#### *Uncertificated SIS Notes*

Each Tranche of Uncertificated SIS Notes will be entered into the main register (*Hauptregister*) of the Intermediary on or prior to their issue date. Once the Uncertificated SIS Notes are registered in the main register of the Intermediary, the Uncertificated SIS Notes will constitute Intermediated Securities.

So long as the Uncertificated SIS Notes constitute Intermediated Securities, they may only be transferred by the entry of the transferred Uncertificated SIS Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Uncertificated SIS Notes held through each participant in the Intermediary. In respect of Uncertificated SIS Notes held in the form of Intermediated Securities, the holders of such Uncertificated SIS Notes will be the persons holding such Uncertificated SIS Notes in a securities account that is in their name, or, in case of intermediaries, the intermediaries holding such Uncertificated SIS Notes for their own account in a securities account that is in their name (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

No holder of Uncertificated SIS Notes will at any time have the right to effect or demand the conversion of such Uncertificated SIS Notes into, or the delivery of, a Permanent Bearer Global SIS Note or Bearer Definitive SIS Notes.

Uncertificated SIS Notes (and, in each case, any non-contractual obligations arising therefrom or connected therewith) will be governed by, and construed in accordance with English law.

#### *Uncertificated Notes which are not designated as Permanently Restricted Notes*

Uncertificated Notes which are not designated as Permanently Restricted Notes, or any interest therein, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from the registration requirements of the Securities Act in a transaction that will not cause the Issuer or the Guarantor, as the case may be, to become required to register under Investment Company Act.

#### **SWEDISH NOTES**

A link will be maintained between Euroclear and Clearstream, Luxembourg, on the one hand, and Euroclear Sweden AB (the **Swedish CSD**), on the other hand, for the purpose of maintaining computerised book-entry records of the beneficial owners' interests in Swedish Notes pursuant to and in accordance with the provisions in the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*). All transactions relating to the beneficial interests in the Swedish Notes (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry account through a credit institution or a securities firm acting as an account operator with Euroclear Sweden AB. For as long as Swedish Notes are in global form, each Series of Swedish Notes will be kept segregated in the records of Euroclear and Clearstream, Luxembourg, in each case, in the name of the Swedish CSD for the benefit of the beneficial owners of the relevant Series of Swedish Notes appearing in the records of the Swedish CSD. No

beneficial owner of any Swedish Notes is entitled to transfer (and the Swedish CSD will not allow any such transfer) its interest in any Swedish Notes directly to the records of Euroclear and Clearstream, Luxembourg or any other clearing system and thereby removing such beneficial interests from the records of the Swedish CSD.

#### **RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system (an **Alternative Clearing System**) as the holder of a Note represented by a global Note must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer or holder, as the case may be, of such global Note and in relation to all other rights arising under the global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such global Note and such obligations of the Issuer will be discharged by payment to the bearer or the holder, as the case may be, of such global Note in respect of each amount so paid.

#### **CERTIFICATION AS TO NON-U.S. BENEFICIAL OWNERSHIP FOR BEARER NOTES**

Whilst any Bearer Note (except any Bearer SIS Notes which are represented by Permanent Bearer Global SIS Notes as described above) is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the date which is 40 days after the issuance date thereof (the **Exchange Date**) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in Eurosystem-eligible NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. Persons or persons who have purchased for resale to any U.S. Person (**Certification**), as required by U.S. Treasury regulations, has been received (i) by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the Certification it has received) to the Issuing and Paying Agent or, (ii) in the case of a Temporary Bearer Global Note held otherwise than on behalf of Euroclear and/or Clearstream, Luxembourg, from the holder thereof.

#### **EXCHANGE OF TEMPORARY BEARER GLOBAL NOTE**

On and after the Exchange Date, interests in a Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for, as applicable, (i) interests in a Permanent Bearer Global Note or (ii) Bearer Definitive Notes of the same Series with, where applicable, Receipts, Coupons and Talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Notes, to such notice period as is specified in the Permanent Bearer Global Note), in accordance with the terms of the Temporary Bearer Global Note against Certification as to beneficial ownership as described above and as required by U.S. Treasury regulations unless such Certification has already been given pursuant to the provisions set forth above; provided, however, that if the relevant Temporary Bearer Global Note is issued in respect of a Tranche of Bearer Notes described as Partly Paid Notes in the applicable Final Terms, such Temporary Bearer Global Note may be exchanged for Bearer Definitive Notes and (if applicable) Coupons, Receipts and/or Talons as described above only if the final part payment on all such Partly Paid Notes then outstanding has been paid. Exchange of a Temporary Bearer Global Note for interests in a Permanent Bearer Global Note will only be made if Bearer Definitive Notes have not already been issued. If Bearer Definitive Notes have already been issued, the Temporary Bearer Global Note may only thereafter be exchanged for Bearer Definitive Notes pursuant to the terms thereof. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due Certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Bearer Definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg, as applicable, to or to the order of the holder thereof (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in Eurosystem-eligible NGN form) without any requirement for Certification.

## EXCHANGE OF PERMANENT BEARER GLOBAL NOTES AND REGISTERED GLOBAL NOTES UPON THE OCCURRENCE OF AN EXCHANGE EVENT

The applicable Final Terms with respect to any Notes issued in global form (other than SIS Notes) will specify that the relevant Permanent Bearer Global Note or Registered Global Note (as applicable) will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Notes with, where applicable, Receipts, Coupons and Talons attached, or, as the case may be, Registered Definitive Notes, upon not less than 60 days' written notice given at any time to the Issuing and Paying Agent from or on behalf of, as the case may be, Euroclear and/or Clearstream, Luxembourg or the common depository on their behalf acting on the instructions of any holder of an interest in the Permanent Bearer Global Note or Registered Global Note as described therein (unless otherwise specified in the applicable Final Terms) or, in the case of a Permanent Bearer Global Note, if such Note is held otherwise than on behalf of Euroclear or Clearstream, Luxembourg, the bearer thereof, in the event of the occurrence of any of the circumstances described in (i), (ii), (iii), (iv) or (v) below (each, an **Exchange Event**) or by the Issuer in the event of the occurrence of the circumstances described in (iv) below:

- (i) if applicable, an Event of Default (as defined in Condition 11 (*Events of Default*) of the Terms and Conditions of the Notes) has occurred and is continuing;
- (ii) in the case of Registered Notes registered in the name of a nominee for The Depository Trust Company (**DTC**), either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act;
- (iii) in the case of a Permanent Bearer Global Note or a Registered Global Note registered in the name of a common depository for Euroclear and/or Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or have in fact done so and no successor clearing system is available;
- (iv) on the occasion of the next payment in respect of any Bearer Global Notes, the Issuer would be required to pay additional amounts as referred to in Condition 8 (*Compartment Assets and Supplementary Assets*) and such payment would not be required if such Bearer Global Note was in definitive form; provided, however, that if the relevant Bearer Global Note is issued in respect of a Tranche of Bearer Notes described as Partly Paid Notes in the applicable Final Terms, such Bearer Global Note may be exchanged for definitive Notes and (if applicable) Coupons, Receipts and/or Talons as described above only if the final part payment on all such Partly Paid Notes then outstanding has been paid; or
- (v) in the case of Registered Notes, the Issuer has or will become subject to adverse tax consequences which would not be suffered were such Registered Notes represented by a Registered Definitive Note.

The Issuer will promptly give notice to Noteholders in accordance with Condition 19 (*Notices*) (see "*Terms and Conditions of the Notes*") if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Bearer Global Note or Registered Global Note) may give notice to the Issuing and Paying Agent or, as the case may be, the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (v) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or, as the case may be, the Registrar.

In respect of Bearer SIS Notes, the Permanent Bearer Global SIS Note will not be exchangeable at the option of the holders of such Bearer SIS Notes but may be exchanged for Definitive Bearer SIS Notes in whole but not in part, if the Principal Swiss Paying Agent deems (i) the printing of Bearer Definitive Notes, Receipts or Coupons to be necessary or useful, or (ii) the presentation of Bearer Definitive Notes, Receipts or Coupons to be required by Swiss or foreign laws in connection with the enforcement of rights (including in cases of bankruptcy, consolidation or reorganisation of the Issuer) (each such circumstance, in respect of Bearer SIS Notes, a **Bearer SIS Notes**

**Exchange Event**). If Definitive Bearer SIS Notes are delivered, the relevant Bearer SIS Notes will immediately be cancelled by the Principal Swiss Paying Agent or the relevant lead manager, as the case may be, and the Definitive Bearer SIS Notes shall be delivered to the relevant holders against cancellation of the relevant Bearer SIS Notes in such holders' securities accounts.

#### **U.S. LEGENDS**

The following legend will appear on all Bearer Notes which have an original maturity of more than 1 year and on all Receipts, Coupons and Talons relating to such Notes:

**“ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”**

The sections referred to above provide that United States persons (as defined in the Code), with certain exceptions, will not be entitled to deduct any loss on Bearer Notes (and, if applicable, Receipts, Coupons or Talons) and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, Receipts, Coupons or Talons.

Registered Notes are also subject to the restrictions on transfer set forth herein and will bear a legend regarding such restrictions as detailed in “*Subscription, Sale and Transfer Restrictions*”.

#### **CLEARING SYSTEMS**

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (including, without limitation, the *Intermédiaires financiers habilités* authorised to maintain accounts therein, in relation to Bearer SIS Notes, SIS or any other clearing institution acceptable to SIX Swiss Exchange and, in relation to Uncertificated Notes, the relevant securities depository and clearing institution, including, without limitation, SIS or any other clearing institution acceptable to SIX Swiss Exchange and, in relation to Registered Notes represented by a Rule 144A Global Note or Registered Notes represented by a Regulation S Global Note, the DTC and in relation to EUI Notes, EUI or CREST), approved by the Issuer, the Guarantor (if applicable), the Issuing and Paying Agent, the Registrar (in the case of Registered Notes only), and, in the case of Notes listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

#### **GENERAL**

The Issuer and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

## FORM OF FINAL TERMS

Set out below is the form of Final Terms which, subject to amendment, will be completed for each Tranche of Notes issued under the Programme.

[Notes:

\* **will apply if the minimum denomination is less than EUR 100,000**

\*\* **will apply if the minimum denomination is at least EUR 100,000**

Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or its equivalent in any other currency) in order to benefit from the wholesale exemption set out in article 3.2(d) of the Prospectus Directive in that Member State.]

## APPLICABLE FINAL TERMS

Dated [•]

[The following language applies if the Notes are distributed in Switzerland – irrespective of a listing on SIX Swiss Exchange:

**The Notes described in these Applicable Final Terms do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA). Therefore, the Notes are not subject to authorization and supervision by the Swiss Financial Market Supervisory Authority FINMA (FINMA), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.]**

Investors should have sufficient knowledge and experience of financial and business matters to evaluate the merits and risks of investing in a particular issue of Notes as well as access to, and knowledge of, appropriate analytical tools to assess such merits and risks in the context of their financial situation. Certain issues of Notes are not an appropriate investment for investors who are unsophisticated with respect to the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options. Investors should also have sufficient financial resources to bear the risks of an investment in Notes, which may include a total loss of their investments. For a more detailed description of the risks associated with any investment in the Notes investors should read the section of the Base Prospectus headed “Risk Factors”.

Any Purchaser of the Notes will be deemed to have represented and agreed that they (i) have the knowledge and sophistication independently to appraise and understand the financial and legal terms and conditions of the Notes and to assume the economic consequences and risks thereof; (ii) to the extent necessary, have consulted with their own independent financial, legal or other advisers and have made their own investment, hedging and trading decisions in connection with the Notes based upon their own judgement and the advice of such advisers and not upon any view expressed by the Issuer[, the Guarantor], the Arranger or the Dealer; (iii) have not relied upon any representations (whether written or oral) of any other party, and are not in any fiduciary relationship with the Issuer[, the Guarantor ], the Arranger or the Dealer; (iv) have not obtained from the Issuer[, the Guarantor ], the Arranger or the Dealer (directly or indirectly through any other person) any advice, counsel or assurances as to the expected or projected success, profitability, performance, results or benefits of the Notes, and have agreed that the Issuer and the Dealer do not have any liability in that respect; (v) have not relied upon any representations (whether written or oral) by, nor received any advice from, the Issuer[, the Guarantor ], the Arranger or the Dealer as to the possible qualification under the laws or regulations of any jurisdiction of the Notes described in these Final Terms and understand that nothing contained herein should be construed as such a representation or advice for the purposes of the laws or regulations of any jurisdiction.

The Notes [and the Guarantee] have not been approved or disapproved by the U.S. Securities and Exchange Commission (the **SEC**), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing Authorities passed upon or endorsed the merits of the offering of the

Notes or the accuracy or adequacy of the Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

## CODEIS SECURITIES SA

[a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 26, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg, registered with the Luxembourg trade and companies register under number B.136.823 subject to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**)]

**acting in respect of CODEIS SECURITIES SA Compartment [A] [B] [●]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●]  
[Guaranteed by [Societe Generale] [Specify other] on the terms set out herein]  
under the EUR 100,000,000,000  
Limited Recourse Notes Programme**

### PART A – CONTRACTUAL TERMS

*[The following language applies if the Notes are Permanently Restricted Notes:*

**[The Notes described herein are designated as Permanently Restricted Notes. As a result, they may not be legally or beneficially owned at any time by any U.S. Person (as defined in Regulation S) and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S.**

**By its purchase of a Note, each purchaser will be deemed or required, as the case may be, to have agreed that it may not resell or otherwise transfer any Note held by it except outside the United States in an offshore transaction to a person that is not a U.S. Person.]**

*[The following language applies if the Notes are not Permanently Restricted Notes:*

**[The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act), except in certain transactions exempt from the registration requirements of the Securities Act. For a description of certain restrictions on offers and sales of Notes, see "*Subscription, Sale and Transfer Restrictions*" in the Base Prospectus.]**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the heading "*Terms and Conditions of the Notes*" in the Base Prospectus dated [[*original date*]]<sup>1</sup> 20 June 2012 [which constitutes a base prospectus for the purposes of the Prospectus Directive and the Luxembourg act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**)]<sup>2</sup>/ [which constitutes a base prospectus for the purposes of the Luxembourg act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**)]<sup>3</sup>. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive and Article 8.4 of the Prospectus Act 2005]<sup>4</sup> [for the purposes of Article 32.4 of the Prospectus Act 2005 in respect of Short Term Notes]<sup>5</sup> and must be read in conjunction with the Base Prospectus and any Supplement(s) to such Base Prospectus published prior to the Issue Date (as defined below) (**Supplement(s)**); provided, however, that to the extent such Supplement (i) is published after these Final Terms have been signed

<sup>1</sup> Retain if the first Tranche of an issue which is being increased was issued under a prospectus with an earlier date  
<sup>2</sup> Delete in the case of any issue of Private Placement Notes or Short Term Notes.  
<sup>3</sup> Retain in the case of Short Term Notes only.  
<sup>4</sup> Delete in the case of any issue of Private Placement Notes.  
<sup>5</sup> Retain in the case of Short Term Notes only.

or issued and (ii) provides for any change to the Conditions set out under the heading “*Terms and Conditions of the Notes*”, such change(s) shall, unless otherwise notified to Noteholders in accordance with Condition 19, have no effect with respect to the Conditions to which these Final Terms relate. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and any Supplement(s). Prior to acquiring an interest in the Notes described herein, prospective investors should read and understand the information provided in the Base Prospectus and be aware of the restrictions applicable to the offer and sale of such Notes in the United States or to, or for the account or benefit of, U.S. Persons. Copies of the Base Prospectus, any Supplement(s) and these Final Terms are available for inspection from the head office of the Issuer[, the Guarantor] and the specified office of each of the Paying Agents [and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))]<sup>6</sup>.

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

*[The following wording applies if the Notes are Notes whose terms rely in whole or in part on the provisions of the Technical Annex:*

[The provisions of the [Equity/Commodities/Fund/Credit/Managed Assets Portfolio/Other Security] Technical Annex [(other than clauses [*specify any inapplicable clauses*])] apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the [Equity/Commodities/Fund/Credit/Managed Assets Portfolio/Other Security] Technical Annex and these Final Terms, these Final Terms shall prevail.]

*[N.B. For Preference Share Linked Notes and Warrant Linked Notes, the Other Security Technical Annex shall apply]*

*[The following wording applies if the Notes are Swedish Notes:*

[The provisions of the Additional Terms and Conditions relating to Swedish Notes [(other than clauses [*specify any inapplicable clauses*])] apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Additional Terms and Conditions relating to Swedish Notes and these Final Terms, these Final Terms shall prevail.]

By subscribing to, or otherwise acquiring, the Notes, a holder of Notes expressly acknowledges and agrees that:

- (i) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Notes [and any Related Notes] has created a specific Compartment, which Compartment shall be identified by the number ascribed to it below and is a Category [A/B] Compartment within the meaning of Article 62 of the Securitisation Act 2004 to which all assets, rights, claims and agreements relating to the Notes [and any Related Notes] will be allocated, subject as provided in these Final Terms;
- (ii) the provisions with respect to the Order of Priority included in these Final Terms will apply;
- (iii) in the event of any Note Acceleration and enforcement of the applicable Security, its recourse shall be limited to (a) the Charged Assets described in the applicable Final Terms and if the Notes are Category B Notes as specified below, and in the event of a Charged Assets Shortfall, the Supplementary Assets (if any) described below and not to the assets allocated to other Compartments created by the Issuer or to any other assets of the Issuer and (b) in the case of Guaranteed Notes only, sums obtained on its behalf by the Trustee, making a claim under the Guarantee for any Guaranteed Shortfall Amount, subject to the relevant provisions of the Trust Deed;

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<sup>6</sup> Delete in the case of any issue of Notes which are not admitted to trading on the regulated market of the Luxembourg Stock Exchange.

- (iv) without prejudice to the rights of the Trustee held for the benefit of holders of Guaranteed Notes under the Guarantee, once all moneys received by the Trustee in connection with the enforcement of the Security over the Charged Assets have been applied in accordance with the Order of Priority set out herein and in the Trust Deed, and if the Notes are Category B Notes, once all moneys received in connection with the Supplementary Assets (if any) have been applied by the Trustee in satisfaction of the Noteholders' claims, it is not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished;
- (v) it shall have no right to attach or otherwise seize the Charged Assets, the Supplementary Assets (if any) or any other assets of the Issuer, including, without limitation, any assets allocated to any other Compartments of the Issuer; and
- (vi) no holder of Notes shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any Final Terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a Supplement to the Base Prospectus under article 16 of the Prospectus Directive and article 13 of the Prospectus Act 2005.]*

*[If the Notes have a maturity of less than one year from the date of issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency in order to comply with United Kingdom selling restrictions.]*

*[Under Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses for the admission to trading on a regulated market of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of Part II of such Act.]*

*[Permanently Restricted Notes may not form part of a series any part of which is issued, offered or sold in reliance on Rule 144A.]*

*[NB: In the case of Notes which may not benefit from the ruling (rescrit) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010 (see section "Taxation – France"), it may be necessary to (a) make additional modifications to the terms of these Final Terms and (b) consider including additional risk factors specific to such Notes.]*

- 1. (i) **Issuer:** Codeis Securities SA, a regulated securitisation undertaking within the meaning of the Securitisation Act 2004.
- (ii) **Guaranteed Notes:** [Yes] [No]
- (iii) **Guarantor:** [Societe Generale] [Specify other] [Not Applicable]
- [(iv) **Status of the Guarantee:** [Condition 3 (*Status of the Notes and the Guarantee; Guaranteed Notes*) applies [Specify other status]]

*[This paragraph will be restated in the Schedule, if any]*



2. (i) **Series Number:** [●]

(ii) **Tranche Number:** [●]

*[If fungible with an existing Series, details of that Series, including the date on which the Notes are expected to become fungible]*

*[For Preference Share Linked Notes and Warrant Linked Notes, Condition 17 (Further Notes, Related Notes and Consolidation) has been disapplied for EIS eligibility purposes.]*

3. **Specified Currency or Currencies:** [●]

*[This paragraph will be restated in the Schedule, if any]*

4. **Aggregate Nominal Amount:**

(i) **Tranche:** [●]

(ii) **Series:** [●]

*[This paragraph will be restated in the Schedule, if any]*

5. **Issue Price:** [[●] per cent. of the Aggregate Nominal Amount]  
[[insert amount] per Note of [insert amount] Specified Denomination] [plus an amount equal to the interest accrued from and including [insert date] to but excluding the Issue Date (which is equal to [●] days' accrued interest) *[if applicable]*]

*[For Preference Share Linked Notes and Warrant Linked Notes:*

100 per cent. of the Aggregate Nominal Amount]

*[This paragraph will be restated in the Schedule, if any]*

6. (a) **Specified Denomination(s):** [●]

*[This paragraph will be restated in the Schedule, if any]*

*[In respect of Registered Notes, the Specified Denomination means the minimum integral amount in which transfers can be made and in the case of any transaction in reliance on Rule 144A, shall be at least USD 200,000 (or its equivalent in any other currency)]*

*[Notes (other than Private Placement Notes) issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000]*

*(or its equivalent in any other currency) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State]*

*[For Registered Notes or Uncertificated Notes only, if the Specified Denomination is expressed to be [€100,000/€50,000] or its equivalent in another currency and multiples of a lower principal amount (for example €1,000 or its equivalent in another currency), insert the additional wording as follows:*

*[€100,000/€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000/€99,000]. No Notes in definitive form will be issued with a denomination exceeding [€199,000/€99,000].]\**

*[In respect of Credit Linked Notes: (in relation to each Note, and subject to Part 1 of the Credit Technical Annex, the **Nominal Amount**)]*

**[(b) Calculation Amount:**

**[•]**

*[The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations or the circumstances referred to in paragraph 6 above apply (e.g. Specified Denominations of EUR[100,000/50,000] and multiples of EUR1,000), the highest common factor of those Specified Denominations. Note that there must be a common factor in the case of two or more Specified Denominations. If "Calculation Amount" is to be used in the Final Terms, corresponding references to the Calculation Amount for interest, put and call options and redemption amount calculation purposes should be included in the terms and conditions set out in the Base Prospectus. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.]*

**7. (i) Issue Date and if any, Interest Commencement Date:**

**[•]**

*[N.B. For Preference Share Linked Notes, the*

*Preference Shares should already be in issue.  
For Warrant Linked Notes, the Warrants should  
already be in issue]*

(ii) **Interest Commencement Date (if  
different from the Issue Date):** [●]

*[NB: An Interest Commencement Date will not be  
relevant for certain Notes, for example for Zero  
Coupon Notes]*

*[This paragraph will be restated in the Schedule, if any]*

**8. Maturity Date:** *[If Interest is unadjusted, specify date]*

*[If Interest is adjusted: The Interest Payment  
Date scheduled to fall in or nearest to [specify a  
month and a year]]*

*[For Preference Share Linked Notes and Warrant  
Linked Notes:*

*[●] or if later [three] [Specify other] Business  
Days after the Final Valuation Date]*

*[In respect of Credit Linked Notes: [Specify  
Scheduled Maturity Date] (such date being the  
**Scheduled Maturity Date**), subject to the  
provisions of paragraph "Credit Linked Note  
Provisions" and the Credit Technical Annex*

*[Specific redemption events should be included  
for any undated Notes in order to avoid offending  
the prohibition on perpetual commitments under  
Luxembourg law]*

*[This paragraph will be restated in the Schedule, if any]*

**9. Interest Basis:** [[●] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/Specify other] +/- [●] per cent  
Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]  
[Index Linked]  
[Dual Currency]  
[See paragraphs 15 to 19 below]  
[Specify other]  
(further particulars specified below)

**10. Redemption/Payment Basis:**<sup>7</sup> [Redemption at [par/Final Redemption Amount]]  
[Index Linked]  
[Physical Delivery]

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<sup>7</sup>

If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.

- [Dual Currency]  
 [Partly Paid. See paragraph 30 below]  
 [Instalment. See paragraph 31 below]  
 [See paragraph(s) 20 and/or 23 below][Credit Linked. Redemption at Final Redemption Amount on the Scheduled Maturity Date, subject as otherwise provided in these Final Terms and to the provisions of Part 1 of the Credit Technical Annex]  
 (further particulars specified below)
11. **Change of Interest Basis or Redemption/Payment Basis:** [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]  
 [See paragraphs 15 to 19 below]
12. **Call/Put Options:** [Redemption at the option of the Issuer]  
 [Redemption at the option of the Noteholders]  
 [See paragraph(s) 21 and/or 22 below]  
 [(further particulars specified below)]  
 [Not Applicable]
- [For Preference Share Linked Notes and Warrant Linked Notes:
- [Redemption at the option of the Issuer/Not Applicable] (*Redemption at the option of the Noteholders should not be specified*)]
13. (i) **Status of the Notes:** Secured and limited recourse obligations of the Issuer, secured [and guaranteed] as provided below
- [(ii) **Date of approval for the issuance of Notes obtained:** [•]]
- [NB: Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or related Guarantee]
14. **Method of distribution:** [Syndicated] [Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
15. **Fixed Rate Note Provisions** [Applicable] [Not Applicable]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]
- [In respect of Credit Linked Notes: Applicable, subject to the provisions of paragraph “Credit Linked Note Provisions” and the Credit Technical Annex]
- (i) **Rate(s) of Interest:** [•] per cent. per annum [flat] [payable [annually/semi-annually/quarterly/monthly/specify other] in arrear]

- [NB: If payable other than annually, consider amending Condition 5 (Interest)]
- (ii) **Interest Payment Date(s):** [[●] in each year up to and including the Maturity Date] [*specify other*] [adjusted in accordance with the Business Day Convention] [not adjusted] [See the Schedule]
- [NB: This will need to be amended in the case of long or short coupons]
- (iii) **Business Day Convention:** [*In respect of Unadjusted Fixed Rate Notes: Not Applicable*] [*In respect of Adjusted Fixed Rate Notes insert one of the following: [Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention [specify other]]*]
- [NB: specify any applicable Additional Business Centre(s) for the definition of Business Day (if different from that in Condition 5(b)(i) of the Terms and Conditions of the Notes)]
- (iv) **Fixed Coupon Amount(s):** [[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [See the Schedule]
- [NB: (a) Fixed Coupon amount may be subject to adjustment as provided in (iii) above (b) Calculation Amount is applicable to Bearer Definitive Notes only.]
- (v) **Broken Amount(s):** [[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount], payable on the Interest Payment Date falling on [●]
- [NB: Calculation Amount is applicable to Bearer Definitive Notes only]
- (vi) **Day Count Fraction:** [30/360 or Actual/Actual (ICMA)] [*Specify other*] [*for per annum fixed rate only*] [Not Applicable] [*for flat fixed rate only*]
- (vii) **Determination Date(s):** [[●] in each year] [Not Applicable]
- [Insert regular Interest Payment Dates, ignoring the Issue Date or Maturity Date in the case of a long or short first or last coupon]
- [NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration]
- [NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]

(viii) **Other terms relating to the method of calculating interest for Fixed Rate Notes:** [Not Applicable] *[give details]*

**16. Floating Rate Note Provisions** [Applicable] [Not Applicable]

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

*[In respect of Credit Linked Notes: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Credit Technical Annex]*

(i) **Specified Period(s) /Interest Payment Date(s):** [●] *[See the Schedule]*

*[NB: For Specified Period(s) (see Condition 5(b)(i)(B) of the Terms and Conditions of the Notes]*

(ii) **Business Day Convention:**

*[Floating Rate Convention/Following Business Day Convention/Preceding Business Day Convention/Modified Following Business Day Convention/ [specify other]] [See the Schedule] [Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount: see Condition 5(b)(i) of the Terms and Conditions of the Notes].*

(iii) **Additional Business Centre(s) and/or Applicable "Business Day" definition:** [●] *[See the Schedule]*

*[NB: Additional Business Centre(s) and/or Applicable "Business Day" definition if different from that in Condition 5(b)(i) of the Terms and Conditions of the Notes]*

(iv) **Manner in which the Rate of Interest and Interest Amount is to be determined:** [Screen Rate Determination] [ISDA Determination] *[specify other (give details)]* [See the Schedule]

(v) **Calculation Agent responsible for calculating the Rate of Interest and/or Interest Amount (if not the Issuing and Paying Agent):** [Not Applicable/*insert name and address*]

*[In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]*

(vi) **Screen Rate Determination:** [Applicable] [Not Applicable]

- **Index/Formula:** *[Give or annex details]* [See the Schedule]

- **Reference Rate:** [●] *[See the Schedule]*

[Either LIBOR, EURIBOR or other and, if other, include additional information such as fall-back provisions]

- **Interest Determination Date(s):** [●] [See the Schedule]
 

[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
- **Specified Time:** [●] [See the Schedule]
 

[NB: Specified Time which will be 11.00 a.m. London time, in the case of LIBOR or Brussels time, in the case of EURIBOR]
- **Relevant Screen Page:** [●] [See the Schedule]
 

[In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fall-back provisions appropriately]
- (vii) **ISDA Determination:** [Applicable] [Not Applicable]
  - **Index/Formula:** [Give or annex details] [See the Schedule]
  - **Floating Rate Option:** [●] [See the Schedule]
  - **Designated Maturity:** [●] [See the Schedule]
  - **Reset Date:** [●] [See the Schedule]
- (viii) **Margin(s):** [+/-][●] per cent. per annum
- (ix) **Minimum Rate of Interest:** [●] per cent. per annum
- (x) **Maximum Rate of Interest:** [●] per cent. per annum
- (xi) **Day Count Fraction:** [Actual/Actual (ICMA)  
Actual/Actual (ISDA) or Actual/Actual  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360, 360/360 or Note Basis  
30E/360 or EuroNote Basis/Specify other  
30E/360 (ISDA)]  
[See the Schedule]
- (xii) **Fall-back provisions, rounding** [Give details]

provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

- (xiii) **Rate Multiplier:** [Not Applicable/The Rate Multiplier shall be  $n/N$  [ $n_b/N_b$ ] [*Specify other*]]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- **Benchmark:** [USD-LIBOR] [GBP-LIBOR] [EURIBOR] [USD CMS] [EUR CMS] [*Specify other*]

[NB: Benchmark (for the purposes of Condition 5(b)(iii) of the Terms and Conditions of the Notes]

- **Floating Rate Option:** [•]  
 - **Designated Maturity:** [•]  
 - **Upper Limit:** [•]  
 - **Lower Limit:** [•]

17. **Zero Coupon Note Provisions** [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

[If Applicable, the following subparagraphs will be restated and detailed in the Schedule]

- (i) **Accrual Yield:** [[•] per cent. per annum] [See the Schedule]  
 (ii) **Reference Price:** [•] [See the Schedule]  
 (iii) **Any other formula/basis of determining amount payable:** [•] [See the Schedule]

[Consider applicable Day Count Fraction, if euro denominated]

- (iv) **Day Count Fraction in relation to Early Redemption Amounts and late payment:** [Conditions 7(f) and 7(k) of the Terms and Conditions of the Notes apply] [*specify other*] [See the Schedule]

18. **Index Linked Interest Note Provisions** [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

[In respect of Credit Linked Notes: Applicable, subject to the provisions of the paragraph "Credit Linked Note Provisions" and the Credit Technical Annex.]



- (i) **Index/Formula:** [Give or annex details] [See the Schedule]
- (ii) **Calculation Agent or other party responsible for calculating Rate of Interest and/or Interest Amount (if not the Issuing and Paying Agent):** [Not Applicable/insert name and address]  
 [In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]
- (iii) **Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:** [●]  
 [In respect of Equity Linked Notes, if the Underlying is covered by the Equity Technical Annex, insert: As provided in the Equity Technical Annex]  
 [In respect of Equity Linked Notes, if the Underlying is not covered by the Technical Annex, insert: As specified in the Schedule]  
 [In respect of Fund/Commodities Linked Notes, insert: As provided in the [Fund] [Commodities] Technical Annex]
- (iv) **Specified Period(s) /Interest Payment Date(s):** [●]  
 [NB: For Specified Period(s) (see Condition 5(b)(i)(B)) of the Terms and Conditions of the Notes]
- (v) **Business Day Convention:** [Floating Rate Convention] [Following Business Day Convention] [Preceding Business Day Convention] [Modified Following Business Day Convention] [unadjusted] [Specify other] [See the Schedule]  
 [NB: Insert "(unadjusted)" if the application of the relevant business day convention is not intended to affect the Interest Amount: see Condition 5(b)(i) of the Terms and Conditions of the Notes]
- (vi) **Additional Business Centre(s) and/or Applicable "Business Day" definition:** [●]  
 [NB: Additional Business Centre(s) and/or Applicable "Business Day" definition (if different from that in Condition 5(b)(i) of the Terms and Conditions of the Notes)]
- (vii) **Minimum Rate of Interest:** [[●] per cent. per annum] [See Index/formula specified in the Schedule] [the second alternative is applicable to Equity Linked Notes]

- (viii) **Maximum Rate of Interest:** [[•] per cent. per annum] [See Index/formula specified in the Schedule] [*the second alternative is applicable to Equity Linked Notes*]
- (ix) **Day Count Fraction:** [•] [Not Applicable]
- (x) **Rate Multiplier:** [Not Applicable] [The Rate Multiplier shall be [n/N] [n<sub>b</sub>/N<sub>b</sub>] [*Specify other*]]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- **Benchmark:** [USD-LIBOR] [GBP-LIBOR] [EURIBOR] [USD CMS] [EUR CMS] [*Specify other*]  
[NB: Benchmark (for the purposes of Condition 5(b)(iii) of the Terms and Conditions of the Notes)]
- **Floating Rate Option** [•]
- **Designated Maturity** [•]
- **Upper Limit** [•]
- **Lower Limit** [•]

19. **Dual Currency Note Provisions** [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

- (i) **Rate of Exchange/method of calculating Rate of Exchange:** [Give or annex details]
- (ii) **Calculation Agent or other party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Issuing and Paying Agent):** [Not Applicable/*insert name and address*]  
[In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]
- (iii) **Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:** [•]
- (iv) **Person at whose option Specified Currency(ies) is/are payable:** [•]

**PROVISIONS RELATING TO PHYSICAL DELIVERY**

20. **Physical Delivery Note Provisions** [Applicable] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

*[If applicable in respect of [Equity] [Fund] Linked Notes, and except as specified below, the relevant provisions are as set out in the [Equity] [Fund] Technical Annex]*

*[In respect of Credit Linked Notes, if applicable: As provided in the Credit Technical Annex]*

- (i) **Underlying Assets:** [See the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the [Credit] [Equity] [Fund] Technical Annex] *[Specify other]*
- (ii) **Formula to be used to determine principal and/or interest or the Physical Delivery Amount:** [See the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the [Equity] [Fund] Technical Annex] *[Specify other]*
- [In respect of Credit Linked Notes: Portfolio of Specified Deliverable Obligations (as defined in Part 1 of the Credit Technical Annex)]*
- (iii) **Settlement by way of cash and/or physical delivery:** [See the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustment as provided in the [Equity] [Fund] Technical Annex] *[Specify other]*
- [In respect of Credit Linked Notes: Physical delivery except for Undeliverable Obligations (see details in the Credit Technical Annex)]*
- (iv) **Issuer/Noteholder option to vary method of settlement and, if yes, method of election, and procedure, for variation of settlement:** [Yes *[Give or annex details]*] [No]
- [In respect of Credit Linked Notes: As provided in the Credit Technical Annex]*
- (v) **If settlement is by way of physical delivery:**
- (a) **Method of delivery of Physical Delivery Amount and consequences of a Settlement Disruption Event(s):** [Applicable][Not Applicable]
- [In respect of [Equity] [Fund] Linked Notes: As provided in the [Equity] [Fund] Technical Annex]*
- [In respect of Credit Linked Notes: Delivery through the Relevant Clearing System unless the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System or otherwise as specified in Part 1 of the Credit Technical Annex, in which case Delivery will take place outside the Relevant Clearing System as set out in Part 1 of the Credit Technical Annex]*
- (b) **Details of how and when Asset** [Applicable] [Not Applicable]

- Transfer Notice is to be delivered:** *[In respect of [Equity] [Fund] Linked Notes: As provided in the [Equity] [Fund] Technical Annex]*
- [In respect of Credit Linked Notes: The common procedure of transfer currently in force in the Relevant Clearing System]*
- (c) **Details of how entitlement to Physical Delivery Amount will be evidenced:** *[Applicable] [Not Applicable]*
- [In respect of [Equity] [Fund] Linked Notes: As provided in the [Equity] [Fund] Technical Annex]*
- [In respect of Credit Linked Notes: The account balances appearing in the records of the Relevant Clearing System or, if necessary, the number of Notes held by each Noteholder as notified to the Issuing and Paying Agent by the Relevant Clearing System]*
- (vi) **The party responsible for calculating the redemption amount and/or interest amount, or the Physical Delivery Amount, payable (if not the Issuing and Paying Agent):** *[Not Applicable] [insert name and address]*
- [In respect of [Equity] [Fund] Linked Notes: As provided in the [Equity] [Fund] Technical Annex]*
- [In respect of Credit Linked Notes: Societe Generale acting as Calculation Agent, 17 cours Valmy, 92987 Paris-La Défense Cedex, France]*
- (vii) **Provisions where calculation by reference to the Underlying Assets and/or Formula is impossible or impracticable:** *[•]*
- [In respect of [Equity] [Fund] Linked Notes, if the Underlying is covered by the Equity Technical Annex insert: See the Schedule under “Final Redemption Amount” and, if applicable, “Other final terms”, subject to adjustments as provided in the [Equity] [Fund] Technical Annex]*
- [In respect of [Equity] [Fund] Linked Notes, if the Underlying is not covered by the [Equity] [Fund] Technical Annex insert: As provided in the Schedule]*
- [In respect of Credit Linked Notes: As provided in the Credit Technical Annex]*
- (viii) **Details of any other relevant terms, any stock exchange requirements/tax considerations (including details of person responsible for transfer expenses):** *[•]*
- [In respect of [Equity] [Fund] Linked Notes: As provided in the [Equity] [Fund] Technical Annex and as the case may be in the Schedule]*
- [In respect of Credit Linked Notes: As provided in the Credit Technical Annex]*

- (ix) **Method of calculating Early Redemption Amount (if for reasons other than following a redemption for tax reasons or an Event of Default):** [[•] per Note of [•] Specified Denomination] [[•] per Calculation Amount] [Market Value] [Specify other] [As provided in the Schedule]
- [NB: Calculation Amount applicable in the case of Bearer Definitive Notes only]
- [In respect of Credit Linked Notes: As provided in the Credit Technical Annex]
- (x) **[Credit] Valuation Date(s):** [•]
- [In respect of [Equity] [Fund] Linked Notes: As provided in the Schedule]
- [In respect of Credit Linked Notes: As provided in the Credit Technical Annex]
- (xi) **Details of Stock Exchanges(s) and Related Exchange(s):** [•]
- [In respect of [Equity] [Fund] Linked Notes: As provided in the Schedule]
- [In respect of Credit Linked Notes: Not Applicable]
- (xii) **Such other additional terms or provisions as may be required (including, without limitation, definitions of Settlement Disruption Event(s), Potential Adjustment Events and Market Disruption Events):** [•]
- [In respect of [Equity] [Fund] [Credit] Linked Notes: As provided in the [Equity] [Fund] [Credit] Technical Annex]
- [If the Underlying Assets are potentially illiquid, consider the inclusion of a fall-back to cash settlement in the event that it is not reasonably practicable for the Issuer or, if applicable, the Guarantor to procure delivery of the Physical Delivery Amount]

**PROVISIONS RELATING TO REDEMPTION**

21. **Issuer's optional redemption (other than for taxation reasons):** [Applicable [in respect of [(i) to (iv)] [(v) below only]]] [Not Applicable]

[If Not Applicable, delete the remaining subparagraphs of this paragraph]

[If Applicable, the following subparagraphs will appear and be detailed in the Schedule]

[If applicable in respect of Credit Linked Notes: Subject to the provision of notice in accordance with subparagraph (iv) below, the Issuer may redeem the Notes in whole, but not in part, on [any Business Day/other] from but excluding the Issue Date to but excluding the Scheduled

		Maturity Date]
(i)	<b>Optional Redemption Date(s):</b>	[●] [Not Applicable] [See the Schedule]
(ii)	<b>Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):</b>	[[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [Market Value] [Specify other] [As provided in the Schedule]
		<i>[For Preference Share Linked Notes and Warrant Linked Notes: Early Redemption Amount per Calculation Amount]</i>
		<i>[NB: Calculation Amount is applicable to Bearer Definitive Notes only.]</i>
(iii)	<b>If redeemable in part:</b>	
	- <b>Minimum Redemption Amount:</b>	[[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [Not Applicable]
		<i>[NB: Calculation Amount is applicable to Bearer Definitive Notes only.]</i>
	- <b>Maximum Redemption Amount:</b>	[[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [Not Applicable]
		<i>[NB: Calculation Amount is applicable to Bearer Definitive Notes only.]</i>
	[- <b>Method of Redemption:</b>	[Pool factor] [Reduction in nominal amount] [Specify other]] <sup>8</sup>
(iv)	<b>Notice period (if other than as set out in the Conditions):</b>	[●] [Not Applicable] [See the Schedule]
		<i>[NB: If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent]</i>
		<i>[In respect of Credit Linked Notes, if applicable: The Issuer shall give not less than [●] Business Days' (as defined in Part 1 of the Credit Technical Annex) notice to the Noteholders in accordance with Condition 19 (Notices) of the Terms and Conditions of the Notes (which notice shall be irrevocable and shall specify the date fixed for redemption), provided, however that any such notice shall be deemed to be void and of no effect, if a Credit Event Notice has been, or is,</i>

<sup>8</sup> Delete unless Notes are being redeemed in part and it is necessary to specify the method of such redemption

delivered to Noteholders in accordance with the Conditions at any time on or prior to 5.00 p.m. (Paris time) on the fourth Business Day preceding the date fixed for redemption in accordance with this paragraph 21]

(v) **Trigger Redemption Option:** [Applicable] [Not Applicable]

*[If Not Applicable, delete the remaining subparagraph of this paragraph]*

**Outstanding Amount Trigger Level:** [Condition 7(d) of the Terms and Conditions of the Notes applies] *[Please specify level if other than 10 per cent.]*

22. **Redemption at the option of the Noteholders:** [Applicable] [Not Applicable]

*(N.B. For Preference Share Linked Notes and Warrant Linked Notes Redemption at the option of the Noteholders is not applicable)*

*[If Not Applicable, delete the remaining subparagraphs of this paragraph]*

(i) **Optional Redemption Date(s):** [●] [See the Schedule]

(ii) **Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):** [[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [Market Value] *[Specify other]* [See the Schedule]

*[NB: Calculation Amount is applicable to Bearer Definitive Notes only]*

(iii) **Notice period (if other than as set out in the Conditions):** [●] [See the Schedule]

*[NB: If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent]*

23. **Final Redemption Amount:** [[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] *[Specify other]* [See the Schedule]

*[NB: Calculation Amount is applicable to Bearer Definitive Notes only]*

*[In respect of Credit Linked Notes: 100 per cent. of the Nominal Amount of each Note then outstanding, subject to the provisions of the Credit Technical Annex]*

*[If the Final Redemption Amount is other than*

100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply]

[if redemption is indexed:

- (i) **Index/Formula:** [In respect of Index Linked Notes: See the Schedule]
- (ii) **Calculation Agent or other party responsible for calculating the Final Redemption Amount (if not the Issuing and Paying Agent):** [Not Applicable] [Insert name and address]  
 [In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]
- (iii) **Provisions for determining the redemption amount where calculation by reference to Index and/or Formula is impossible or impracticable:** [Give or annex details]  
 [In respect of Index Linked Notes: As provided in the [Equity/Fund/Commodities] Technical Annex]  
 [If the Underlying is not covered by the Technical Annex: See the Schedule]
24. **Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same:** [[●] per Note of [●] Specified Denomination] [[●] per Calculation Amount] [Market Value] [Specify other] [As provided in the Schedule]  
 [NB: Calculation Amount is applicable to Bearer Definitive Notes only]  
 [NB: Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same if required or if different from that set out in Condition 7(g) (Early Redemption Amounts) of the Terms and Conditions of the Notes]
25. **Credit Linked Notes provisions** [Applicable/Not Applicable]  
 [If Not Applicable, delete the remaining subparagraphs of this paragraph]
- (i) **Type of Credit Linked Notes:** [Single Name Notes] [First-to-Default Notes] [Basket Notes] [Tranche Notes] [Specify other]  
 [NB : First-to-Default Notes are also referred to as FTD Notes]
- (ii) **First Credit Event Occurrence Date:** [●]
- (iii) **Settlement Type:** [American] [European]



- (iv) **Settlement Method:** [Cash Settlement] (or but **ONLY** for Single Name Notes and FTD Notes) [Physical Settlement]
- (v) **Reference Entity(ies):** [insert name(s)] [Specify if Sovereign]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: The Reference Entities comprised in the Reference Portfolio as described in the Annex for Credit Linked Notes hereto]
- (vi) **Transaction Type:** [For Single Name Notes: As specified in the Annex for Credit Linked Notes hereto]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Notes hereto]
- (vii) **Multiple Successor(s):** [For Single Name Notes: Applicable]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: Not relevant. Part 1 - V "Multiple Successors" of the Credit Technical Annex does not apply to the Notes]
- (viii) **Reference Obligation(s):** CUSIP/ISIN: [●] [None]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Reference Obligation(s) specified in the Annex for Credit Linked Notes hereto]
- (ix) **Calculation Agent or other party responsible for calculating the redemption amount (if not the Calculation Agent specified in the Credit Technical Annex):** [Not Applicable] [Specify name and address]
- [In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]
- (x) **All Guarantees:** [For Single Name Notes: As specified in the Annex for Credit Linked Notes hereto]
- [For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Notes hereto]
- (xi) **Credit Events:** [For Single Name Notes: The Credit Events specified in the Annex for Credit Linked Notes

hereto]

*[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the Credit Event(s) specified in the Annex for Credit Linked Notes hereto]*

**(xii) Notice of Publicly Available Information:**

*[For Single Name Notes: As specified in the Annex for Credit Linked Notes hereto]*

*[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Entity comprised in the Reference Portfolio, as specified in the Annex for Credit Linked Notes hereto]*

**(xiii) Obligation(s):**

**Obligation Category:**

*[For Single Name Notes: The Obligation Category specified in the Annex for Credit Linked Notes hereto]*

*[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Obligation comprised in the Reference Portfolio, the Obligation Category specified in the Annex for Credit Linked Notes hereto]*

**Obligation Characteristics:**

*[For Single Name Notes: The Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]*

*[For Basket Notes (which by definition include Tranche Notes) and FTD Notes: For each Reference Obligation comprised in the Reference Portfolio, the Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]*

**(xiv) Accrual of Interest upon Credit Event:**

*[No Accrued Interest upon Credit Event]  
[Accrued Interest upon Credit Event]  
[Guaranteed Coupon]*

*[NB: Guaranteed Coupon only where settlement is European Settlement] [If no coupon: Not relevant. The Notes do not bear interest.]*

**(xv) Terms relating to Settlement**

**Final Value:**

*[Fixed Recovery: [●] per cent.] [Floating Recovery with [Auction Method] [Quotation Dealers Method]]*

[If Physical Settlement: Not Applicable]

**[Deliverable/Selected] Obligation(s):** [If Cash Settlement and Fixed Recovery: Not Applicable]

If not applicable, delete the subparagraphs “[Deliverable/Selected] Obligation Category” and “[Deliverable/Selected] Obligation Characteristics”

**[Deliverable/Selected] Obligation Category:** [For Single Name Notes: The [Deliverable/Selected] Obligation Category specified in the Annex for Credit Linked Notes hereto]

[For Basket Notes (which by definition include Tranche Notes): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Category specified in the Annex for Credit Linked Notes hereto]

[For FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Category specified in the Annex for Credit Linked Notes hereto]

**[Deliverable/Selected] Obligation Characteristics:** [For Single Name Notes: The [Deliverable/Selected] Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

[For Basket Notes (which by definition include Tranche Notes): For each Reference Entity comprised in the Reference Portfolio, the Selected Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

[For FTD Notes: For each Reference Entity comprised in the Reference Portfolio, the [Deliverable] [Selected] Obligation Characteristics specified in the Annex for Credit Linked Notes hereto]

(xvi) **First-to-Default:** [Applicable] [Not Applicable]

(xvii) **Provisions relating to Basket Notes:** [Applicable] [Not Applicable]

[If the Notes are not Basket Notes, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]

**[(a) Reference Portfolio Notional Amount:** [•] [equal to the product of (i)  $P/(M-N+1)$  and (ii) the Aggregate Nominal Amount, if N-to-M-to-Default is specified as Applicable]

- (b) **Reference Entity Notional Amount:** [For each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount]
- (c) **Reference Price:** [●] per cent.
- (d) **Reference Entity Weighting:** [For Each Reference Entity: [●]/ the amount specified as such in the Annex for Credit Linked Notes hereto]
- (e) **Provisions relating to Tranche Notes:** [Applicable] [Not Applicable]

*[If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)]*

- (1) **N-to-M-Default:** [Applicable] [Not Applicable]

*[If not applicable delete the three lines below:*

*N = [●]*

*M = [●]*

*P= [number of Reference Entities within the Reference Portfolio]*

- (2) **Tranche Notional Amount:** [[●] (NB: The Tranche Notional Amount should be equal to [portfolio size \* (detachment point-attachment point)])]

*[equal to the Aggregate Nominal Amount if N-to-M-to-Default is specified as Applicable]*

- (3) **Tranche Subordination Amount:** [●] *[equal to the product of (i) the Aggregate Nominal Amount and (ii) (N-1)/(M-N+1), if N-to-M-to-Default is specified as Applicable]*

*[Delete this subparagraph (f) UNLESS (1) the Notes are Basket Notes with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent. or with a Floating Interest Recovery or (2) the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable and with a Fixed Interest Recovery or (3) the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable and with Floating Interest Recovery with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent.]*

- (f) **Interest Recovery:** [Fixed Interest Recovery with an Interest Recovery Rate of [●] per cent.] [Floating Interest Recovery]

- (xviii) **Provisions relating to other Credit Linked Notes:** [●]

[If not applicable, delete subparagraphs (xviii) (a) and (b)]

- (a) Interest Calculation Amount: [●]
- (b) Calculation of Cash Redemption Amount: [●]
- (xix) Such other additional terms or provisions as may be required: [●] [Not Applicable]
- (xx) Business Days (for the purposes of the Credit Technical Annex): [●]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

#### 26. Form of Notes:

- (i) Form: *[The following elections apply in respect of Bearer Notes:*

*[Temporary Bearer Global Note exchangeable for a permanent Bearer Global Note which is exchangeable for Bearer Definitive Notes only upon the occurrence of [an Exchange Event]<sup>9</sup> [(i) the closure of the relevant Clearing Systems for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or (ii) the announcement by such relevant Clearing Systems of an intention permanently to cease business]]<sup>10</sup>*

*[Temporary Bearer Global Note exchangeable for Bearer Definitive Notes on and after the Exchange Date]*

*[Permanent Bearer Global Note exchangeable for Bearer Definitive Notes only upon the occurrence of [an Exchange Event]<sup>11</sup> [(i) the closure of the relevant Clearing Systems for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or (ii) the announcement by such relevant Clearing Systems of an intention permanently to cease business]]<sup>12</sup>*

*[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of*

<sup>9</sup> Applicable for Notes that are not tradeable in minimum amounts (e.g. EUR 100,000) plus an integral multiple of another specified amount (e.g. EUR 1,000) in excess of such minimum amount i.e. the Notes can be traded whilst held in global form in the clearing systems in multiple amounts (e.g. EUR 101,000, EUR 102,000, EUR 103,000 etc).

<sup>10</sup> Applicable for Notes that are tradeable in minimum amounts (e.g. EUR 100,000) plus an integral multiple of another specified amount (e.g. EUR 1,000) in excess of such minimum amount i.e. the Notes can be traded whilst held in global form in the clearing systems in multiple amounts (e.g. EUR 101,000, EUR 102,000, EUR 103,000 etc).

<sup>11</sup> See footnote 11.

<sup>12</sup> See footnote 12.

*their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.<sup>13</sup>*

*[Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves.]*

*[The following elections apply in respect of Registered Notes:]*

[Regulation S Global Note (US \$ [●] nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] [a nominee for DTC] [Rule 144A Global Note (US \$ [●] nominal amount) registered in the name of [a nominee for DTC] [a common depository for Euroclear and Clearstream, Luxembourg] [Combined Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg.] [Non-U.S. Registered Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg.]

*[The following election applies in respect of SIS Notes:*

[Permanent Global SIS Note exchangeable for a Definitive Bearer SIS Note only upon the occurrence of a [Bearer SIS Notes Exchange Event]] *[Not possible in connection with Uncertificated SIS Notes]*

[CHF SIS Notes] [Other SIS Notes]  
[Uncertificated SIS Notes]

*[If Other SIS Notes, consideration should be given to the applicable TEFRA position and the inclusion of additional selling restrictions in paragraph 41 and/or additional U.S. tax disclosure in paragraph 42]*

*[The following applies in respect of EUI Notes:]*

[Dematerialised and settled and cleared in Euroclear UK & Ireland Limited (EUI)]

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13 Include for bearer Notes (including, but limited to, bearer Notes issued under English law and materialised bearer Notes issued under French law) that are to be distributed in Belgium.

- No physical document of title]
- [Crest Depository Interests/Direct Crest Settlement]
- [The following applies in respect of Swedish Notes : Swedish Notes: The provisions of the Additional Terms and Conditions for Swedish Notes shall apply]*
- (ii) **New Global Note:** [Yes] [No] [Not Applicable]
27. **“Payment Business Day” election or other special provisions relating to Payment Business Days:**<sup>14</sup> [Following Payment Business Day] [Modified Following Payment Business Day] [*Specify other*]
- [Note that this item relates to the date of payment and not Interest Period end dates]*
- [NB: “Payment Business Day” election in accordance with Condition 6(g) (Payment Business Day) of the Terms and Conditions of the Notes or other special provisions relating to Payment Business Days]*
28. **Additional Financial Centre(s):** [Not Applicable] [*give details*]
- [In respect of Credit Linked Note with Physical Settlement: [●] and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]*
- [NB: Additional Financial Centre(s) for the purposes of Condition 6(g) of the Terms and Conditions of the Notes]*
- [Note that this item relates to the place of payment and not Interest Period end dates]*
29. **Talons for future Coupons or Receipts to be attached to Bearer Definitive Notes:** [Yes (if appropriate)] [Not Applicable]
30. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay:** [Not Applicable] [*give details*]
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (i) **Part Payment Date(s):** [●]

<sup>14</sup>

Amend “Payment Business Day” definition if payment is to be made on 25 December as Euroclear and Clearstream, Luxembourg do not settle payments on such day.

- (ii) **Part Payment Amount(s):** [●]
31. **Details relating to Instalment Notes:** [Not Applicable] *[give details]*
- [If Not Applicable, delete the remaining subparagraphs of this paragraph]*
- (i) **Instalment Amount(s):** [●]
- (ii) **Instalment Date(s):** [●]
32. **Redenomination, renominatisation and reconventioning provisions:** [Applicable. The provisions of Condition 1 of the Terms and Conditions apply] [Not Applicable]
33. **Swiss Paying Agent(s):** [Applicable (as specified in the applicable Swiss Paying Agency Agreement)/insert name(s) and address(es) if there is to be (i) a Principal Swiss Paying Agent other than Societe Generale, Zurich Branch or (ii) one or more additional Swiss Paying Agents/Not Applicable]
34. **Portfolio Manager:** [Not Applicable] *[Insert name]*
35. **Governing law:** The Notes (and, if applicable, the Receipts and the Coupons) and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
- [N.B.: If the Notes are SIS Notes or EUI Notes, the governing law must always be English law]*
36. **Other final terms:** [Not Applicable] *[Give details]* [See the Schedule]
- [Tax Regime for Notes which do not constitute obligations: [●]]
- [Consider including a term providing for tax certification if required to enable interest to be paid gross by Issuer (a number of countries may require tax certification to enable interest to be paid gross by Issuers).]*
- [When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a Supplement to the Base Prospectus under article 16 of the Prospectus Directive]*
- [If (a) and (b) are not applicable, delete the remaining subparagraphs]*
- (a) **for Preference Share Linked Notes:** [Not Applicable] [The provisions of the Other Security Technical Annex shall apply] [See the



- Schedule]
- **Preference Share:** [●] [See the Schedule]
  - **ISIN:** [●] [See the Schedule]
  - **Calculation Agent responsible for making calculations in respect of the Notes:** [●]  
*[In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]*
  - **Final Redemption Amount:** [See the Other Security Technical Annex] [Specify]] [See the Schedule]
  - **Final Valuation Date:** [●] [See the Schedule]
- (b) **for Warrant Linked Notes:** [Not Applicable] [The provisions of the Other Security Technical Annex shall apply] [See the Schedule]
- **Warrants:** *[Insert details]* [See the Schedule]
  - **ISIN:** [●] [See the Schedule]
  - **Warrant Issuer:** [Issuer] *[Insert details]* [See the Schedule]
  - **Calculation Agent responsible for making calculations in respect of the Notes:** [●]  
*[In the event that a Calculation Agent other than Societe Generale is appointed in connection with the Notes, describe the terms of its appointment and the provisions relating to the termination of its appointment]*
  - **Final Redemption Amount:** [See the Other Security Technical Annex] [Specify]] [See the Schedule]
  - **Final Valuation Date:** [●] [See the Schedule]

**DISTRIBUTION**

37. (i) **If syndicated, names [and addresses and underwriting commitments]\* of Managers:** [Not Applicable/give names [and addresses and underwriting commitments]\*\*of Managers]
- [Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment on a “best efforts” basis if such entities are not the same as the Managers.]\**
- (ii) **[Date of Syndication Agreement]:\*** [Not Applicable] [Give date\*]

- (iii) **Stabilising Manager (if any):** [Not Applicable] [Give name]
38. **If non-syndicated, name [and address]\*\* of relevant Dealer:** [Give name [and address]\*]
39. **Total commission and concession:** [[•] per cent. of the Aggregate Nominal Amount]  
[There is no commission and/or concession paid by the Issuer to the Dealer or the Managers] [Not Applicable]
40. **Whether TEFRA D or TEFRA C rules Applicable or TEFRA rules Not Applicable:** [TEFRA D/TEFRA C/Not Applicable]
41. **Additional selling restrictions:** [Reg S] [Reg S and 144A] [Not Applicable/give details][Section 3(c)(7) to be included in respect of any Notes distributed in the United States or to, or for the account or benefit of, U.S. Persons.][Additional selling restrictions may be required in the case of Index Linked Notes and Dual Currency Notes distributed in the United States or to, or for the account or benefit of, U.S. Persons.]
- [Add the following language if the Notes are Permanently Restricted Notes.]
- The Notes may not be legally or beneficially owned at any time by any U.S. Person (as defined in Regulation S) and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S. [In the case of a public offer, consider disapplying the selling restrictions applicable to the jurisdiction(s) where the public offer is to be made (see "Selling Restrictions: European Economic Area").]**
42. **Additional U.S. Tax Disclosure:** [Not Applicable/Give details]
- [Depending on the type of notes issued and their terms, additional U.S. tax disclosure may be required.]

**COMPARTMENT ASSETS, SUPPLEMENTARY ASSETS, SECURITY, ETC.**

43. **Description of Compartment:** [Insert Compartment name / number]  
Compartment is a [Category A Compartment/Category B Compartment], in respect of which at any time [more than one Series of Related Notes]/[only this Series of Notes] may be outstanding.
- [In the case of a Series of Notes in respect of which one or more Series of Related Notes may

be outstanding from time to time:

**If, at the time of any enforcement of the Security pursuant to Condition 12 (Enforcement and Realisation), one or more Series of Related Notes (as defined in Condition 11(a)(iii) is outstanding, holders of the Notes to which these Final Terms apply and the holders of such Related Notes will share equally and rateably in any Charged Assets [and, in the case of any Charged Assets Shortfall, any Supplementary Assets] in accordance with the Order of Priority specified below.]**

**44. Compartment Assets:**

*[If only this Series of Notes will be outstanding at any time in respect of the Compartment, insert or annex description of Compartment Assets]*

*[[In the case of a Series of Notes in respect of which one or more Series of Related Notes may be outstanding from time to time, insert or annex description of new Compartment Assets to be included in the Compartment in connection with the issue of this Series of Notes] (the **Specified Compartment Assets**), together with the "Specified Compartment Assets" set out in the applicable Final Terms for each Series of Related Notes outstanding from time to time, which assets shall be assets satisfying the Investment Criteria specified below.]*

*[In completing this and the following paragraphs, be sure to consult the provisions of Annex VIII of the Prospectus Directive Regulation]*

*[NB: (see Condition 8(a) (Compartment Assets)]*

(i) **legal jurisdiction by which the Charged Assets are governed:** [●]

(ii) **obligors under the Charged Assets:** *[In the case of a small number of easily identifiable obligors, a general description of each obligor.*

*In all other cases, a description of: the general characteristics of the obligors; and the economic environment, as well as global statistical data referred to the Compartment Assets]*

(iii) **legal nature of the Charged Assets:** [Swap agreement] [Deposit agreement] [other]

(iv) **expiry or maturity date(s) of the Charged Assets:** [Maturity Date] [other]

- (v) **amount of the Charged Assets:** [●]
- (vi) **method of origination or creation of the Charged Assets:** [The Issuer shall enter into a swap transaction/a deposit agreement with Societe Generale on or prior to the Issue Date] [*Specify other*]  
  
[*Include, for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances*]
- (vii) **an indication of any significant representations and collaterals given to the Issuer relating to the Charged Assets:** [Applicable] [Not Applicable]  
  
[*If applicable, provide a description*]
- (viii) **a description of any relevant insurance policies relating to the Charged Assets:** [Applicable] [Not Applicable]  
  
[*If applicable, provide a description, in particular any concentration with one insurer must be disclosed if it is material to the transaction*]
- (ix) **where the Charged Assets comprise obligations of five (5) or fewer obligors which are legal persons or where an obligor accounts for twenty (20) per cent. or more of the Charged Assets, or where an obligor accounts for a material portion of the Charged Assets:** [Applicable] [Not Applicable]  
  
[*If applicable; so far as the Issuer is aware and/or is able to ascertain from information published by the obligor(s) indicate either of the following*  
  
(a) *information relating to each obligor as if it were an issuer drafting a Registration Document for debt and derivative securities with an individual denomination of at least EUR 100,000; or*  
  
(b) *if an obligor or guarantor has securities already admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.*]
- (x) **any relationship that is material to the issue between the Issuer, guarantor and obligor under the Charged Assets:** [Applicable] [Not Applicable]  
  
[*If applicable, provide details of the principal terms of that relationship.*]  
  
[Societe Generale [which is the [insert capacity/capacities] under the Notes] owns all shares but one of the Issuer]
- (xi) **Charged Assets comprising** [Applicable] [Not Applicable]

- obligations that are not admitted to trading on a regulated or equivalent market: *[If applicable, insert a description of the principal terms and conditions of the obligations.]*
- [The swap transaction (the **SG Swap Transaction**), entered into between the Issuer and Societe Generale as counterparty (the **Swap Counterparty**), evidenced by a confirmation incorporating by reference to one or more sets of definitions published by ISDA for the relevant SG Swap Transaction underlying(s) governed by an ISDA Master Agreement dated as of [●] 20[●] (the **ISDA Master Agreement**) (together, the **Swap Agreement**)].
- (xii) **Charged Assets comprising obligations that are admitted to trading on a regulated or equivalent market:** [Applicable] [Not Applicable]  
*[If applicable, indicate the following:*
- (a) *a description of the securities;*
- (b) *a description of the market on which they are traded including its date of establishment, how price information is published, an indication of daily trading volumes, information as to the standing of the market in the country and the name of the market's regulatory authority;*
- (c) *the frequency with which prices of the relevant securities are published.]*
- (xiii) **additional description where more than ten (10) per cent. of the Charged Assets comprise equity securities that are not traded on a regulated or equivalent market:** [Applicable] [Not Applicable]  
*[If applicable, provide a description of those equity securities and equivalent information to that contained in the schedule for share Registration Document in respect of each Issuer of those securities]*
- (xiv) **additional description where a material portion of the Charged Assets are secured on or backed by real property:** [Applicable] [Not Applicable]  
*[If applicable, provide a valuation report relating to the property setting out both the valuation of the property and cash flow/income streams.*
- Compliance with this disclosure is not required if the issue is of securities backed by mortgage loans with property as security, where there has been no revaluation of the properties for the purpose of the issue, and it is clearly stated that the valuations quoted are as at the date of the original initial mortgage loan origination.]*
- (xv) **flow of funds:** *[Insert description of how payments are collected*

*in respect of the assets]*

*[Include confirmation that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities and how the cash flow from the assets will meet the Issuer's obligations to holders of the securities, including, if necessary, a financial service table and a description of the assumptions used in developing the table]*

*[If the SG Swap Transaction is a Charged Asset, include the following:*

For the avoidance of doubt, and notwithstanding any designation of the SG Swap Transaction as a "Compartment Asset" in sub-paragraph (xi) above, under the SG Swap Transaction, Codeis Securities SA has not only rights to receive payments from the Swap Counterparty but also obligations to make payments to the Swap Counterparty. Furthermore, any early termination of the SG Swap Transaction shall give rise to the calculation and payment of a single net amount due by one party to the SG Swap Transaction to the other party and Codeis Securities SA may be the party obliged to pay such amount to the Swap Counterparty.]

[Any amount payable to the Issuer by Societe Generale under the SG Swap Transaction shall be paid directly by Societe Generale to the Issuer.

The SG Swap Transaction has been structured so that the flows under the Notes correspond to the flows under the Swap Transaction:

- on Issue Date, the Issuer shall pay to Societe Generale the proceeds of the issue of the Notes;
- during the life of the Notes and in respect of the Maturity Date or the date of any early redemption, any payment by the Issuer to the Noteholders under the Notes will be funded by an amount paid by Societe Generale to the Issuer under the SG Swap Transaction.]

**(xvi) arrangements upon which payments of interest and principal to investors are dependent:**

[Applicable] [Not Applicable]

*[If applicable, provide details]*

(xvii)	<b>information on any credit enhancements, an indication of where material potential liquidity shortfalls may occur and the availability of any liquidity supports and indication of provisions designed to cover interest/principal shortfall risks:</b>	[Applicable] [Not Applicable]  <i>[If applicable, provide an indication of where these may occur and the availability of any liquidity supports and any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment including their name and address]</i>
(xviii)	<b>information concerning the Charged Assets reproduced from a source published by a third party:</b>	[Applicable] [Not Applicable]  <i>[If applicable: So far as the Issuer is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information misleading.</i>  <i>In addition, identify the source(s) of information in the Securities Note that has been reproduced from information published by an undertaking/obligor. ]</i>
(xix)	<b>Names, addresses and significant business activities of the originators of the Compartment Assets:</b>	[Applicable] [Not Applicable]  <i>[If applicable, provide details]</i>
(xx)	<b>Names and addresses and brief description of:</b>	[●]
	- any swap counterparties and any providers of other material forms of credit/liquidity enhancement; and	[●]
	- the banks with which the main accounts relating to the Series are held	[●]
45.	<b>Replacement Assets:</b>	[Applicable, subject to compliance with the Investment Criteria set out below and Condition 8(g) ( <i>Replacement of Compartment Assets</i> ) of the Terms and Conditions of the Notes/Not Applicable]
46.	<b>Maturing Compartment Assets:</b>	[Applicable, subject to compliance with the Condition 8(g) ( <i>Replacement of Compartment Assets</i> ) of the Terms and Conditions of the Notes /Not Applicable/Set out any terms modifying Condition 8(g)(ii)]
47.	<b>Addition or Removal of Compartment Assets:</b>	[Applicable] [Not Applicable]
48.	<b>Deposit Account:</b>	<i>[Specify institution where Deposit Account created if other than the Custodian]</i>

- [Specify rate or basis for calculation of Deposit Account interest for the purposes of Condition 8(c) (Custodian; Deposit Accounts)]
- 49. Compartment Assets Manager:** [Not Applicable / Societe Generale pursuant to the Collateral Management Agreement / *Insert name* [appointed pursuant to an agreement between, *inter alios*, the Issuer, the Trustee and the Compartment Assets Manager dated [●]]]
- [NB: *Compartment Assets Manager (for the purposes of Condition 8(g) (Replacement of Compartment Assets)) and Condition 8(h) (Addition or Removal of Compartment Assets)*]
- 50. (i) Investment Criteria:** [Set out Investment Criteria applicable to the Compartment Assets and the Replacement Assets]
- [If one or more Series of Related Notes may be outstanding at any time in respect of the Compartment, the Investment Criteria must be the same for the Notes and each Series of Related Notes]
- (ii) Investment Policy:** [Set out Investment Policy applicable to the management of the Compartment Assets]
- (iii) Liabilities to Assets Ratio Lower Limit:** [Not Applicable/Applicable. The Liabilities to Assets Ratio Lower Limit will be deemed to have been breached if, at the relevant time, the ratio of [●] is lower than [●] disregarding, for purposes of this test, the value of any Waived Notes]
- [If one or more Series of Related Notes may be outstanding at any time in respect of the Compartment, the Liabilities to Assets Ratio Lower Limit should be the same for the Notes and each Series of Related Notes]
- (iv) Liabilities to Assets Ratio Upper Limit:** [Not Applicable/Applicable. The Liabilities to Assets Ratio Upper Limit will be deemed to have been breached if, at the relevant time, the ratio of [●] is higher than [●] disregarding, for purposes of this test, the value of any Waived Notes]
- [If one or more Series of Related Notes may be outstanding at any time in respect of the Compartment, the Liabilities to Assets Ratio Upper Limit should be the same for the Notes and each Series of Related Notes]
- 51. Supplementary Assets:** [Not Applicable [for Notes issued under a



*Category A Compartment*]if the Notes are *Category B Notes*, insert a description of the characteristics of any assets that the Issuer may include in the *Category X Compartment*, ensuring that such description is consistent with the description provided in each other Series of *Category B Notes* outstanding under any *Compartment* at any time during the term of the Notes]

**[The Issuer gives no assurance that the *Category X Compartment* will at any time contain any Supplementary Assets and may, except as provided in Condition 8(b) (Supplementary Assets), alter the composition of, or remove entirely, any Supplementary Assets without notifying any person (including, without limitation, the Noteholders). Further, in the event that the *Category X Compartment* does contain Supplementary Assets at the time of any Charged Assets Shortfall(s), the Issuer gives no assurance that such Supplementary Assets will be sufficient to meet the claims of the holders of the Notes.]**

[NB: see Condition 8(b) (Supplementary Assets)]

**52. Supplementary Assets Manager:**

[Not Applicable [for Notes issued under a *Category A Compartment*] / Societe Generale pursuant to the Collateral Management Agreement / *Insert name* [appointed pursuant to an agreement between, *inter alios*, the Issuer, the Trustee and the Supplementary Assets Manager dated [•]]

[NB: see Condition 8(g) (Replacement of *Compartment Assets*)]

**53. Related Agreements:**

[Not Applicable/The Swap Agreement/*Insert details of any Related Agreements*]

**(i) Redemption following termination of a Related Agreement:**

[Applicable] [Not Applicable]

[NB: see Condition 7(o) Termination of a Related Agreement)]

**54. Security:**

[Charged Assets charged to Trustee; French law security [. The Trustee will not be the Security Agent of the French Pledge – *delete if Not Applicable*]/Charged Assets charged to Trustee; English law security/Charged Assets charged to Trustee; additional foreign law security]

[*Insert description of additional or other security,*

- if any]*
- [NB: (see Condition 8(d) (Security))]
- 55. Order of Priority:** [The Standard Order of Priority (as defined in Condition 8(e) (*General provisions relating to security*)) applies/describe alternative Order or Priority]
- [If one or more Series of Related Notes may be outstanding at any time in respect of the Compartment, the Order of Priority must be the same for the Notes and each Series of Related Notes]
- [NB: see Condition 8(f) (*Application of Proceeds*)]
- 56. Waiver of Rights Agreement:** [Applicable] [Not Applicable]
- 57. Redemption following a Trigger Event:** [Applicable] [Not Applicable]
- [NB: see Condition 7(m) (*Redemption following a Trigger Event*)]
- 58. Cross-acceleration in respect of Related Notes:** [Applicable] [Not Applicable]
- [If Condition 11(a)(iii) is applicable [Pursuant to Condition 11(b), if a “Note Acceleration” occurs under any Related Notes (as defined in Condition 11(a)(iii)), a Note Acceleration will be deemed to have occurred for the purposes of the Notes and the Security with respect to the Charged Assets will be enforceable under Condition 12 (*Enforcement and Realisation*) all as more fully described in Condition 11 (*Events of Default*)]
- [NB: see Conditions 11(a)(iii) and 11(b)]
- 59. Rating Agency requirements:** [Applicable] [Not Applicable]
- 60. Trustee:** [SG Hambros Trust Company (Channel Islands) Limited (or any successor)/Name of alternative Trustee and instrument appointing such alternative Trustee]
- 61. Custodian:** [Societe Generale Bank & Trust/Name of alternative Custodian] or any such additional or successor custodian appointed in accordance with Condition 8(c) (*Custodian; Deposit Account*).
- 62. Compartment Parties:** [Not Applicable/The Swap Counterparty] [specify Compartment Parties, including, for example,

*each counterparty under the Related Agreements]*

**63. Voting Agent:**

*[Not Applicable /Societe Generale/insert name of any other entity and, for any other entity other than Societe Generale, details of the relevant voting agency agreement]*

*[NB: Voting Agent for the purposes of Condition 8(k) (Issuer's rights as holder of Compartment Assets and Supplementary Assets (if any))]*

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for the issue of the Notes [and] [public offer in [the public offer jurisdiction(s) (*specify other*)] [and] [admission to trading on [the regulated market of the [Luxembourg]/[London] Stock Exchange] [*specify other*]] by Codeis Securities SA pursuant to its €100,000,000,000 Limited Recourse Notes Programme for which purpose they are hereby submitted.

**RESPONSIBILITY**

Each of the Issuer and the Guarantor accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading].

*[The below signature block should be signed in those jurisdictions where the Issuer is legally required to sign or where market practice dictates that it should.]*

*The signature block may be deleted in those jurisdictions where neither of the above applies.]*

[Signed on behalf of the Issuer:

By:

*Duly authorised]*

*[If as per the indication above, the signature block is deleted, the words*

**“FINAL VERSION APPROVED BY THE ISSUER”**

*shall be added at the top of each page of the Final Terms and after the section “RESPONSIBILITY” above at the end of this Part A of the Final Terms.]*

**PART B – OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

(i) **Listing:** [None] [Application has been made for the Notes to be listed on the official list of the [Luxembourg] [London] [*Specify other*] Stock Exchange] [Application will be made for the Notes to be listed on SIX Swiss Exchange]

*[If other than "None", where applicable, this will be restated in the Schedule]*

(ii) **Admission to trading:** [Not Applicable] [Application has been made for the Notes to be admitted to trading on the regulated market of the [Luxembourg] [London] [*Specify other*] Stock Exchange with effect from [or as soon as practicable after] [the Issue Date] [*Specify other*].] [Application has been made for the Notes to be admitted to trading on [Schoch Switzerland] [*in the case of derivatives*]/[the SIX Swiss Exchange][*in the case of bonds*] with effect from [or as soon as practicable after] [the Issue Date] [*Specify other*]

*[Specify "Not Applicable" either in the case of a listing on a market other than the regulated market of the Luxembourg Stock Exchange [or London Stock Exchange] or where no listing is to occur]*

*[Where documenting a fungible issue need to indicate that original securities are already admitted to trading.]\*\**

[(iii) **Estimate of total expenses related to admission to trading:]** [●]\*\*

**2. RATINGS**

Ratings: [The Notes to be issued have not been rated.]

[The Notes to be issued have been rated:

[[*Name of rating agency(ies)*]: [●]]

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council dated 11 May 2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011 and is included in the list of registered credit rating agencies published at the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu)).]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011, but is endorsed by [*insert credit rating agency*] which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009, as amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council dated 11 May 2011.]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]\*

### 3. NOTIFICATION [AND AUTHORISATION]\*

[Not Applicable] [The *Commission de surveillance du secteur financier (CSSF)* [has been requested to provide/has provided] the [*name(s) of competent authority(ies) of host Member State(s)*] with [a] certificate[s] of approval attesting that the Base Prospectus [and the Supplement[s]] [has/have] been drawn up in accordance with the Prospectus Directive.] [*Not Applicable for Short Term Notes*]

The Issuer [and the Guarantor] has [have] authorised the use of these Final Terms and the Base Prospectus dated 20 June 2012 by the Dealer/Managers and [*include names [and addresses] of other financial intermediaries involved in the offer*] (the **Distributors** and, together with the Dealer/Managers, the **Financial Intermediaries**) in connection with offers of the Notes to the public in [Luxembourg and/or jurisdictions into which it has been passported] for the period set out in paragraph 14 below.]\* [*Not*

*Applicable for Short Term Notes]*

**4. ADDITIONAL RISK FACTORS**

[Not Applicable] *[Insert description of any risk factors applicable specifically to the Series of Notes described herein] [Other than for Private Placement Notes, when completing the above paragraphs, consideration should be given as to whether the additional risk factors described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under article 16 of the Prospectus Directive.]*

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

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

*[Amend as appropriate if there are other interests]*

*[When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under article 16 of the Prospectus Directive.]*

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

(i) **Reasons for the offer:** [●][●] [See "Use of Proceeds" wording in the Base Prospectus] [Not Applicable]

*[NB: if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.]\**

(ii) **Estimated net proceeds:** [●] [Not Applicable]

*[If the proceeds are intended for more than one purpose, those purposes should be disclosed in their order of priority. If the proceeds will be insufficient to fund all disclosed purposes, state the amount and sources of other funding.]\**

(iii) **Estimated total expenses:** [●] [Not Applicable]

*[Expenses must be broken down into each principal intended “use” and presented in the order of priority of such “uses”.]\**

*[NB: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required regardless of denomination.]*

**7. YIELD (Fixed Rate Notes Only)**

**Indication of yield:** [Not Applicable] [Applicable] [*give details*]

[[●]. Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]\*

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

[*In the case of certain Index Linked Notes in respect of which a fixed rate of interest is paid during all or part of the term of the Notes and either or both of interest and/or the redemption amount is/are indexed insert:* Since the Notes are linked to the performance of certain Underlying(s), the yield cannot be foreseen.]

**8. HISTORIC INTEREST RATES** (*Floating Rate Notes Only*)

[Not Applicable/Applicable]

Details of historic [LIBOR/EURIBOR/Specify other] rates can be obtained from [Reuters/Bloomberg/Specify other].

**9. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index Linked Notes Only*)

[Not Applicable/Applicable]

[*If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*]

[*N.B. This paragraph 9 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.*]

[*Need to include details of where past and future performance and volatility of the index/formula can be obtained.*]

[*Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.*]

[*Include other information concerning the underlying required by paragraph 4.2 of Annex XII and paragraph 3.7 of Annex VIII of the Prospectus Directive Regulation.*]

[*When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under article 16 of the Prospectus Directive.*]

[*Where the underlying is a Preference Share, insert the following wording: The Notes relate to the [●] preference shares of the Preference Share Issuer.*]

The performance of the Preference Shares depends on the performance of the relevant underlying asset(s) or basis of reference to which the Preference Shares are linked (the **Preference Share Underlying**). The Preference Share Underlying is *[insert details of the relevant underlying asset(s) or basis of reference to which the Preference Shares relate]*. Information on the Preference Share Underlying (including past performance and volatility) is published on [●]. Potential investors should review the Terms of the Preference Shares and consult with their own professional advisors if they consider it necessary. [The Terms of the Preference Shares will be made available to investors upon written request to the specified office of the Preference Share Issuer.] The Preference Share Value will be published on each [Business Day] on [●].]

*[Where the underlying is a Warrant, insert the following wording: The Notes relate to the [●] warrants of [●] (the Warrants).*

The performance of the Warrants depends on the performance of the relevant underlying asset(s) or basis of reference to which the Warrants are linked (the **Warrant Underlying**). The Warrant Underlying is *[insert details of the relevant underlying asset(s) or basis of reference to which the Warrants relate]*. Information on the Warrant Underlying (including past performance and volatility is published on [●]. Potential investors should review the terms of the Warrants and consult with their own professional advisors if they consider it necessary. The terms of the Warrants will be available on [●]. The value of the Warrants will be published on each [Business Day] on [●].]

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

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

[Not Applicable/Applicable]

*[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[N.B. This paragraph 10 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.]*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] [does not intend to provide post-issuance information].*

*[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under article 16 of the Prospectus Directive.]*

*[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances in which the risks are most evident.]\*\**

**11. INFORMATION REQUIRED FOR SIS NOTES TO BE LISTED ON THE SIX SWISS EXCHANGE**

[Not Applicable]



- [(i) Listing/Trading information:**
- (a) Trading Size and Ratio: [minimum and maximum trading size and the standard exercise ratio]
  - (b) First Trading Day: [first trading day]
  - (c) Last Trading Day and Time: [last trading day as well as the time of day at which trading shall cease]
  - (d) Capital Protection: [Capital protection [specify] /no capital protection]
- (ii) Information relating to underlyings:** *[Insert the information on the underlying instruments required by section 4 of scheme C of the SIX Swiss Exchange and the tax information in relation to a purchase of underlying instruments required by section 3.3.12 of scheme C of the SIX Swiss Exchange in respect to Notes to be listed on the SIX Swiss Exchange, to the extent such information is not already included elsewhere in the Final Terms.]*
- (iii) Additional information:**
- a) Fees charged by the Issuer to the Noteholders post-issuance: [None] *[Give details]*
  - b) Conditions for the grant of any advantages and the method of calculating those advantages:*[Give details]* [Not Applicable]
  - c) Name and address of the representatives for purposes of article 50 of the Listing Rules of SIX Swiss Exchange): *[Insert name and address of the relevant representatives]*.
  - d) No Material Adverse Change. Save as disclosed in this Programme Prospectus, there has been no material adverse change, nor any event involving a prospective material adverse change in the financial and trading position of the Issuer [and the Guarantor] since *[insert date of the most recently published audited financial statements]*.

## 12. OPERATIONAL INFORMATION

- (i) **ISIN Code:** [●]<sup>15</sup>
- (ii) **Common Code:** [●]<sup>16</sup>
- (iii) **Any clearing system(s) other than DTC, Euroclear and Clearstream,** [Not Applicable/give name(s) and number(s)/Specify other/SIX SIS Ltd, Swiss

<sup>15</sup> This code must be marked as "restricted" for Securities Act purposes in the case of Combined Global Notes.

<sup>16</sup> This code must be marked as "restricted" for Securities Act purposes in the case of Combined Global Notes.

- Luxembourg and the relevant identification number(s): Securities Number: [●], SIX Swiss Exchange Ticker Symbol: [●] /Specify other]
- (iv) **Delivery:** Delivery [against/free of] payment
- (v) **Names and addresses of Additional Paying Agent(s) (if any):** [●]
- (vi) **EUI Agent:** [Insert name of agent to be appointed, where applicable, in respect of EUI Notes and CDIs][Not Applicable]
- (vii) **EUI Agent's specified office:** [insert address of agent to be appointed, where applicable, in respect of EUI Notes and CDIs ][Not Applicable]
- (viii) **Swedish Issuer Agent:** [Insert name and address of the agent (Sw. emissioninstitut), where applicable, in respect of Swedish Notes] [Not Applicable]
- (ix) **Intended to be held in a manner which would allow Eurosystem eligibility:** [Yes] [No]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is, held under the NSS.] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include the foregoing text if "yes" selected in which case the Notes must be issued in NGN form.]
13. **Address and contact details of Codeis Securities SA for all administrative communications relating to the Notes:** Telephone: [●]  
Telex: [●]  
Facsimile: [●]  
Attention: [●]

14. **TERMS AND CONDITIONS OF THE OFFER**

[Not Applicable] [This paragraph applies only in respect of any offer of Notes made in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), where such offer is not made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes.]

**Offer Period:** [●] to [●]in [insert public offer jurisdiction(s)]

[This period should be from the date of publication

<b>Offer Price:</b>	<p>of the Final Terms to a specified date (or a formulation such as “the Issue Date” or “the date which falls [●] Business Days thereafter”).</p> <p>[The Issuer has offered the Notes to the Dealer/Managers at the initial issue price of [●] less a total commission of [●].</p> <p>[or where the price is not determined at the date of the Final Terms]</p> <p>[The issue price of the Notes will be determined by the Issuer and the [Dealer/Managers] on or about [●] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [insert relevant benchmark security, if any].] [Specify other]</p> <p>[N.B. For Preference Share Linked Notes and Warrant Linked Notes, commission must not be deducted from the Issue Price. Commission should be paid outside of the terms of the Notes]</p>
<b>Conditions to which the offer is subject:</b>	<p>[Not Applicable] [Offers of the Notes are conditional [on their issue [only applicable to offers during the subscription period ]] [on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to investors by such relevant Financial Intermediaries]] [Specify other]</p>
<b>Description of the application process:</b>	<p>[Not Applicable/give details]</p> <p>[NB: Not Applicable unless full application process is being followed in relation to the issue]</p>
<b>Details of the minimum and/or maximum amount of application:</b>	<p>[Not Applicable/give details]</p> <p>[NB: Not Applicable unless full application process is being followed in relation to the issue]</p>
<b>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b>	<p>[Not Applicable/give details]</p> <p>[NB: Not Applicable unless full application process is being followed in relation to the issue]</p>
<b>Details of the method and time limits for paying up and delivering the Notes:</b>	<p>[Not Applicable]</p> <p>[The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.] [However, the settlement and delivery of the Notes will be executed through the Dealer mentioned above.] [Investors will be notified by the relevant Financial Intermediary of</p>

their allocations of Notes and the settlement arrangements in respect thereof.] [The Notes will be delivered on any day during the offer by payment of the purchase price by the Noteholders to the relevant Financial Intermediary.] [*Specify other*]

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

[Not Applicable/*give details*]

[Publication on the website [of the Issuer] ([insert website]) and in a daily newspaper of general circulation in the relevant place(s) of listing and/or public offer at the end of the [subscription/marketing] period if required by local regulation.] [*Specify other*]

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

[Not Applicable/*give details*]

[NB: *Not Applicable unless full application process is being followed in relation to the issue*]

**Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:**

[Offers may be made by the Financial Intermediaries [in Luxembourg and jurisdictions into which the Base Prospectus has been passported] [*Not Applicable for Short Term Notes*] to any person. In other European Economic Area countries, offers will only be made by the Financial Intermediaries pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]

**Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:**

[Not Applicable/*give details*]

[NB: *Not Applicable unless full application process is being followed in relation to the issue*]

**Amount of any expenses and taxes specifically charged to the subscriber or purchaser:**

[Not Applicable/*give details*]

**Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.**

[None/*give details*]

**Non-exempt Offer:**

[Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known*]] (together with the Managers, the **Financial Intermediaries**) other than pursuant

to article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] **(Public Offer Jurisdictions)** during the period from [specify date] until [specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] **(Offer Period)**.]

[N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.]

#### **15. SWISS SIMPLIFIED PROSPECTUS**

[Insert this paragraph in the case of structured products that are publicly offered, but not listed, in Switzerland]

[Not Applicable] [A simplified prospectus has been made available for the purpose of the offer of these Notes in Switzerland in accordance with the CISA requirements.

Copies of the simplified prospectus are available from [insert relevant address and contact details in Switzerland]]

**SCHEDULE**

*(If applicable, this Schedule forms part of Part A of the Final Terms to which it is attached (save for paragraph 1(a) and the section headed "Underlyings" which each form part of Part B of the Final Terms to which it is attached))*

**Part 1:**

- |       |     |   |                      |
|-------|-----|---|----------------------|
| 1.    | (i) | Issuer:                                 | Codeis Securities SA |
|       |     | [(ii) Guarantor:                        | Societe Generale]    |
| 3.    |     | <b>Specified Currency or Currencies</b> | [•]                  |
| 4.    |     | <b>Aggregate Nominal Amount</b>         |                      |
|       | (a) | Tranche:                                | [•]                  |
|       | (b) | Series:                                 | [•]                  |
| 5.    |     | <b>Issue Price</b>                      | [•]                  |
| 6.    |     | <b>Specified Denomination(s)</b>        | [•]                  |
| 7.    |     | <b>Issue Date</b>                       | [•]                  |
| 8.    |     | <b>Maturity Date</b>                    | [•]                  |
| 1.(i) |     | <b>Listing</b>                          | [•]                  |

**(Part B)**

- |      |   |                               |
|------|---|-------------------------------|
| 15.  | <b>Fixed Rate Note Provisions</b>   | [Applicable] [Not Applicable] |
|      | <i>[If Not Applicable, delete the remaining subparagraphs of this paragraph]</i>  |                               |
|      | (ii) [Interest Payment Date(s):   | [•]                           |
|      | (iv) Fixed Coupon Amount(s)   | [•]                           |
| [16. | <b>Floating Rate Note Provisions</b>  | Applicable <sup>17</sup>      |
|      | (i) Specified Period(s)/Interest Payment Date(s):   | [•]                           |
|      | (ii) Business Day Convention:   | [•]                           |
|      | (iii) Additional Business Centre(s) and/or Applicable "Business Day" definition (if different from that in Condition 5(b)(i) of the Terms and Conditions of the Notes): | [•]                           |

<sup>17</sup> If specified as "Not Applicable" in paragraph 16 of Part A of the Final Terms, delete this paragraph.

- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined:
  - (vi) Screen Rate Determination:
    - Index/Formula:
    - Reference Rate:
    - Interest Determination Date(s):
    - Specified Time:
    - Relevant Screen Page:
  - (xi) Day Count Fraction:]
- [17. Zero Coupon Note Provisions** Applicable<sup>18</sup>
- (i) Accrual Yield:
  - (ii) Reference Price:
  - (iii) Any other formula/basis of determining amount payable:
  - (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:
- 18. Index Linked Interest Note Provisions** [Applicable] [Not Applicable]
- (i) [Index/Formula:
- [20. Physical Delivery Note Provisions** Applicable<sup>19</sup>
- (ix) [Credit] Valuation Date(s):
- [21. Issuer's optional redemption (other than for taxation reasons)** Applicable [in respect of [(i) to (iv)]]<sup>20</sup>
- (i) Optional Redemption Date(s):
  - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):
  - (iii) If redeemable in part: 
    - Minimum Redemption

<sup>18</sup> If specified as "Not Applicable" in paragraph 17 of Part A of the Final Terms, delete this paragraph.

<sup>19</sup> If specified as "Not Applicable" in paragraph 20 of Part A of the Final Terms, delete this paragraph.

<sup>20</sup> If specified as "Not Applicable" in paragraph 21 of Part A of the Final Terms, delete this paragraph.

- Amount:
- **Maximum Redemption Amount:**
  - (iv) **Notice period (if other than as set out in the Conditions):**
- [22. **Redemption at the option of the Noteholders** Applicable<sup>21</sup>
- (i) **Optional Redemption Date(s):**
  - (ii) **Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):**
  - (iii) **Notice period (if other than as set out in the Conditions):**
23. **Final Redemption Amount** [At par/Index Linked/Specify other]
- (i) **Index/Formula:**
- [25. **Credit Linked Notes provisions** Applicable<sup>22</sup>
- (i) **Type of Credit Linked Notes:**
  - (ii) **First Credit Event Occurrence Date:**
  - (iii) **Settlement Type:**
  - (iv) **Settlement Method:**
  - (v) **Reference Entity(ies):**
  - (vi) **Transaction Type:**
  - (vii) **Multiple Successor(s):**
  - (viii) **Reference Obligation(s):**
  - (ix) **Calculation Agent or other party responsible for calculating the redemption amount (if not the Calculation Agent specified in the Credit Technical Annex):**
  - (x) **All Guarantees:**
  - (xi) **Credit Events:**
  - (xii) **Notice of Publicly Available**

<sup>21</sup>

If specified as "Not Applicable" in paragraph 22 of Part A of the Final Terms, delete this paragraph.

<sup>22</sup>

If specified as "Not Applicable" in paragraph 25 of Part A of the Final Terms, delete this paragraph.



**Information:**

**(xiii) Obligation(s):**

**Obligation Category:** [•]

**Obligation Characteristics:** [•]

**(xiv) Accrual of Interest upon Credit Event:** [•]

**(xv) Terms relating to Settlement**

**Final Value:** [•]

**[Deliverable/Selected] Obligation(s):** [•]

*If not applicable, delete the subparagraphs “[Deliverable/Selected] Obligation Category” and “[Deliverable/Selected] Obligation Characteristics”*

**[Deliverable/Selected] Obligation Category:** [•]

**[Deliverable/Selected] Obligation Characteristics:** [•]

**(xvi) First-to-Default:** [Applicable] [Not Applicable]

**(xvii) Provisions relating to Basket Notes:** [Applicable] [Not Applicable]

*[If the Notes are not Basket Notes, delete the remaining subparagraphs (a) to (f) of this subparagraph (xvii)]*

**(a) Reference Portfolio Notional Amount:** [•]

**(b) Reference Entity Notional Amount:** [•]

**(c) Reference Price:** [•]

**(d) Reference Entity Weighting:** [•]

**(e) Provisions relating to Tranche Notes:** [•]

*[If not applicable, delete the remaining subparagraphs (1), (2) and (3) of this subparagraph (e)]*

(1) **N-to-M-Default:** [•]

(2) **Tranche Notional Amount:** [•]

(3) **Tranche Subordination Amount:** [•]

*[Delete this subparagraph (f) UNLESS (1) the Notes are Basket Notes with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent. or with a Floating Interest Recovery or (2) the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable and with a Fixed Interest Recovery or (3) the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable and with Floating Interest Recovery with a Fixed Interest Recovery with an Interest Recovery Rate other than zero per cent.]*

(f) **Interest Recovery:** [•]

(xviii) **Provisions relating to other Credit Linked Notes:** [•]

*[If not applicable, delete subparagraphs (xviii) (a) and (b)]*

(a) **Interest Calculation Amount:** [•]

(b) **Calculation of Cash Redemption Amount:** [•]

(xix) **Such other additional terms or provisions as may be required:** [•]

(xx) **Business Days (for the purposes of the Credit Technical Annex):** [•]

**36. Other final terms** [Applicable] [Not Applicable]

*[If (a) and (b) are not applicable, delete the remaining subparagraphs]*

(a) **for Preference Share Linked Notes:** [•]

- **Preference Share:** [•]

- **ISIN:** [•]

- **Final Redemption Amount:** [•]

- **Final Valuation Date:** [•]

(b) **for Warrant Linked Notes:** [•]

- Warrants: [●]
- ISIN: [●]
- Warrant Issuer: [●]
- Final Redemption Amount: [●]
- Final Valuation Date: [●]

**Part 2:**

Terms used in the Formulae above are described in this Part 2.

**Underlyings**

*[Insert description of the relevant Underlyings to the extent not already covered above in this Schedule or in Parts A or B of these Final Terms. To the extent applicable to the relevant Underlyings specified, in accordance with paragraph 3.7 of Annex VIII of the Prospectus Directive Regulation, such description should cover the points set out in paragraph 2.2 and 2.3 of Annex VIII of the Prospectus Directive Regulation.]*

*[[●] has been extracted from [●]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]*

**ANNEX FOR CREDIT LINKED NOTES**

*[For Single Name Notes:*

Reference Entity	Transaction Type	Reference Obligation	Reference Price	Status
[●]	[●]	[●]	[●]	[●]

*[For FTD Notes:*

**Reference Portfolio:**

Reference Entities	Transaction Type	Reference Obligation	Reference Price	Status
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]

*[For Basket Notes:*

**Reference Portfolio:**

Reference Entities	Transaction Type	Reference Entity Weighting	Reference Obligation	Reference Price	Status
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]

*For all types of Notes (for Basket Notes or First-to-Default Notes where there is more than one Transaction Type, split the Transaction Type column into the relevant number of columns):*

Terms applicable to a Reference Entity are the ones specified in the tables below for the Transaction Type of such Reference Entity as determined in the table above.

In the tables below, "X" means "applicable"

<b>Credit Events</b>	<i>[insert Transaction Type]</i>
Bankruptcy	[X]
Failure to Pay	[X]
Grace Period Extension	[X]
Notice of Publicly Available Information	[X]
Payment Requirement (USD 1,000,000)	[X]
Obligation Default	[X]
Obligation Acceleration	[X]
Repudiation/Moratorium	[X]
Restructuring	[X]
Restructuring Maturity Limitation and Fully Transferable Obligation	[X]
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation	[X]
Multiple Holder Obligation	[X]
Default Requirement (USD 10,000,000)	[X]
All Guarantees	[X]

<b>Obligations Category</b>	<i>[insert Transaction Type]</i>
Payment	[X]
Borrowed Money	[X]
Reference Obligations Only	[X]
Bond	[X]
Loan	[X]
Bond or Loan	[X]

<b>Obligations Characteristics</b>	<i>[insert Transaction Type]</i>
Not Subordinated	[X]
Standard Specified Currency	[X]
Standard Specified Currencies and Domestic Currency	[X]
Not Sovereign Lender	[X]
Not Domestic Currency	[X]
Not Domestic Law	[X]
Listed	[X]
Not Domestic Issuance	[X]

<b>[Deliverable] [Selected] Obligations Category</b>	<i>[insert Transaction Type]</i>
Payment	[X]
Borrowed Money	[X]
Reference Obligations Only	[X]
Bond	[X]

*Form of Final Terms*

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Loan	<input checked="" type="checkbox"/>
Bond or Loan	<input checked="" type="checkbox"/>
<b>[Deliverable] [Selected] Obligations Characteristics</b>	<i>[insert Transaction Type]</i>
Not Subordinated	<input checked="" type="checkbox"/>
Standard Specified Currency	<input checked="" type="checkbox"/>
Standard Specified Currencies and Domestic Currency	<input checked="" type="checkbox"/>
Not Sovereign Lender	<input checked="" type="checkbox"/>
Not Domestic Currency	<input checked="" type="checkbox"/>
Not Domestic Law	<input checked="" type="checkbox"/>
Listed	<input checked="" type="checkbox"/>
Not Domestic Issuance	<input checked="" type="checkbox"/>
Not Contingent	<input checked="" type="checkbox"/>
Assignable Loan	<input checked="" type="checkbox"/>
Consent Required Loan	<input checked="" type="checkbox"/>
Transferable	<input checked="" type="checkbox"/>
Maximum Maturity: 30 Years	<input checked="" type="checkbox"/>
Not Bearer	<input checked="" type="checkbox"/>

## TERMS AND CONDITIONS OF THE NOTES

*The following, together with the Technical Annex (if applicable), are the Terms and Conditions of the Notes, including SIS Notes (as defined in Condition 1 (Form, Denomination, Redenomination and Title)) and will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Purchaser(s) at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The following Terms and Conditions, together with the Technical Annex (if applicable), will, if the context so permits, apply to Uncertificated Notes. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes (including, for the avoidance of doubt, Uncertificated Notes). The applicable Final Terms (or the relevant provisions thereof) will be endorsed on, attached to or incorporated by reference in, each temporary global Note, permanent global Note and definitive Note and shall be deemed to apply to Uncertificated Notes. Reference should be made to the section headed "Form of the Notes" above for a description of the content of Final Terms which will specify which of such terms is to apply in relation to the relevant Notes.*

*Furthermore, the Additional Terms and Conditions for Swedish Notes will apply to Swedish Notes, if specified in the applicable Final Terms, and shall be deemed to form part of the Terms and Conditions.*

This Note is one of a Series (as defined below) of Notes issued by Codeis Securities SA (the **Issuer**), a regulated securitisation undertaking within the meaning of the Luxembourg Act dated 22 March 2004 on securitisation (the **Securitisation Act 2004**, which term shall include such act as modified, amended or re-enacted from time to time), constituted and secured by a trust deed (the **Trust Deed**, which expression includes the same as it may be modified and/or supplemented and/or restated from time to time) dated on or about the issue date of the first Series of Notes in respect of the Compartment (or, if this Series of Notes is such first Series, the Issue Date) and made between the Issuer, SG Hambros Trust Company (Channel Islands) Limited as trustee (the **Trustee**, which expression shall include (x) any successor or (y) any other person named in the applicable Final Terms as trustee and, in the case of (y), appointed pursuant to a trust deed between the Issuer, the Guarantor (as defined below), if applicable, and such person) and, if applicable, Societe Generale as guarantor (the **Guarantor**). References herein to the **Issuer** shall include the relevant Substitute Company as defined in Condition 13(e) (*Substitution*), in the case of any substitution of the Issuer in accordance with that Condition. Reference to the **Guarantor** shall include the relevant Substitute Company, in case of any substitution of the Guarantor in accordance with Condition 13(e) (*Substitution*).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Note(s) represented by a global Note, units of each Specified Denomination in the Specified Currency of issue;
- (ii) definitive Notes in bearer form (**Bearer Definitive Notes**) issued in exchange for a global Note;
- (iii) any global Note in bearer or registered form (**Bearer Global Note(s)** and **Registered Global Note(s)**, respectively, and each a **Global Note**);
- (iv) any Uncertificated Note(s) (as defined below); and
- (v) any definitive Notes in registered form (**Registered Definitive Notes**) (whether or not issued in exchange for a Registered Global Note).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 20 June 2012 (the **Agency Agreement**, which expression includes the same as it may be modified and/or supplemented and/or restated from time to time) and made between, *inter alios*, the Issuer, the Guarantor, the Trustee, Societe Generale Bank & Trust as issuing and principal paying agent, registrar, transfer agent and exchange agent (the **Issuing and Paying Agent**, the **Registrar**, the **Transfer Agent** and the **Exchange Agent**, respectively, which expressions shall include, in each case, any additional or

successor agent or any other calculation agent appointed from time to time and specified in the applicable Final Terms) and the other paying agents named therein (together with the Issuing and Paying Agent and the Registrar, the Swiss Paying Agents (if any), the **Paying Agents**, which expression shall include any additional or successor paying agents appointed from time to time). The Paying Agents, the Transfer Agent, the Exchange Agent, the EUI Agent (if any), the Calculation Agent, the Disposal Agent and the Custodian shall be referred to collectively hereunder as the **Agents**.

In connection with Uncertificated Notes, unless the context otherwise requires and except insofar as the terms defined in the Agency Agreement are incorporated by reference herein, any reference herein to the Agency Agreement will be construed, *mutatis mutandis*, as a reference to the agency agreement(s) entered into with respect to such Uncertificated Notes (and references herein to the Issuing and Paying Agent, the Paying Agent(s) or the Calculation Agent shall be construed accordingly).

Any issue of EUI Notes (as defined below) will have the benefit of an EUI agency agreement (the **EUI Agency Agreement**, which expression shall be construed as a reference to any such agreement as the same may be amended, supplemented or restated from time to time) between the Issuer, the Guarantor and the agent, which shall be appointed in the relevant Final Terms in respect of EUI Notes (the **EUI Agent**).

Any issue of SIS Notes (as defined below) will have the benefit of a Swiss paying agency agreement (the **Swiss Paying Agency Agreement**, which expression shall be construed as a reference to any such agreement as the same may be amended, supplemented or restated from time to time) between the Issuer, the Guarantor, the Paying Agents (except the Registrar), the principal Swiss paying agent and the other Swiss paying agents (if any) (the **Principal Swiss Paying Agent** and the **Swiss Paying Agents**, respectively). The form of the Swiss Paying Agency Agreement is scheduled to the Agency Agreement.

Interest-bearing Bearer Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to "Coupons" or "coupons" shall, unless the context otherwise requires, be deemed to include a reference to "Talons" or "talons". Bearer Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall mean, in the case of Bearer Notes, the holders of the Notes and, in the case of Registered Notes, the persons in whose name the Notes are registered, and shall, in relation to any Notes represented by a global Note, and, in relation to Uncertificated Notes, be construed, in each case, as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed. The Trustee also holds the Security granted by the Issuer for itself and the other Secured Parties (as defined below).

The Issuer may issue Notes in uncertificated and dematerialised book-entry form (**Uncertificated Notes**). The holder of an Uncertificated Note (other than an Uncertificated SIS Note) will be the person appearing in the relevant registers in accordance with the legislation, rules and regulations applicable to, and/or issued by, the relevant securities depository and clearing institution and the term "Noteholder" shall be construed accordingly. Uncertificated Notes will only be transferable in accordance with such legislation, rules and regulations.

Any references in these Terms and Conditions to "Coupons", "Talons" or "Receipts" shall not apply to Uncertificated Notes or to Registered Notes.

Any reference herein to "Euroclear" and/or "Clearstream, Luxembourg" (each term as defined below) shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (including, without limitation, in relation to Bearer SIS Notes, SIX SIS Ltd, the Swiss securities services corporation (**SIS**) or any other clearing institution acceptable to the SIX Swiss Exchange Ltd (**SIX Swiss Exchange**) and, in relation to Uncertificated Notes, the relevant securities depository and clearing institution, including, without limitation, SIS or any other clearing institution acceptable to

the SIX Swiss Exchange, and, in relation to Registered Notes represented by a Rule 144A Global Note or Registered Notes represented by a Regulation S Global Note, the Depository Trust Company (**DTC**)), approved by the Issuer, the Guarantor (if applicable), the Trustee, the Issuing and Paying Agent, the Registrar (in the case of Registered Notes only), Euroclear UK and Ireland (**EUI**) and, in the case of Notes listed on the Luxembourg Stock Exchange, the Luxembourg Stock Exchange.

The final terms for this Note (or other relevant provisions thereof) are set out in Part A of the applicable Final Terms that are endorsed on, attached to or incorporated by reference in or, in the case of Uncertificated Notes, prepared in connection with, this Note and which supplement these terms and conditions (the **Terms and Conditions** or the **Conditions**). If this is an Uncertificated Note, the applicable Final Terms shall be deemed to apply to this Note. The applicable Final Terms (or other relevant provisions thereof) supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note (including, for the avoidance of doubt, any Uncertificated Note). References herein to the **applicable Final Terms** are to Part A of the Final Terms (or other relevant provisions thereof) and, if applicable, any schedules to the Final Terms, which Final Terms are endorsed on, attached to, incorporated by reference in, or, in the case of Uncertificated Notes, prepared in connection with and deemed applicable to, this Note.

As used herein, **Tranche** means Notes which are identical in all respects and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects except for their respective Issue Dates, (unless this is a Zero Coupon Note) Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement, the Voting Agency Agreement (as defined below), the Custody Agreement (as defined below), the disposal agency agreement (the **Disposal Agency Agreement**), the Collateral Management Agreement (if any) (as defined below), the portfolio management deed (the **Portfolio Management Deed**) (if any), the repurchase agreement whereby the Issuer agrees in certain circumstances to purchase Notes held by Societe Generale as market maker (the **Repurchase Agreement**), the Swiss Paying Agency Agreement (if any) and the EUI Agency Agreement (if any) are available for inspection during normal business hours from the head office of each of the Trustee, Societe Generale, the Issuer and from the specified office of each of the Paying Agents (including the Principal Swiss Paying Agent, if any), the Exchange Agent and the Transfer Agent. Copies of the applicable Final Terms are available for viewing at [www.bourse.lu](http://www.bourse.lu) (in the case of Notes listed on the Luxembourg Stock Exchange) and copies may be obtained from the head office of the Issuer, the Guarantor and the specified office of each of the Paying Agents (including the Principal Swiss Paying Agent) save that, if this Note is (i) a Private Placement Note (as defined below) or (ii) a Short Term Note (as defined below) which has not been offered to the public in Luxembourg, the applicable Final Terms will only be obtainable by a Noteholder holding one or more such Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the Voting Agency Agreement, the Custody Agreement, the Disposal Agency Agreement, the Collateral Management Agreement (if any), the Portfolio Management Deed (if any), the Swiss Paying Agency Agreement (if any), the EUI Agency Agreement (if any), the Repurchase Agreement and the applicable Final Terms. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Transaction Documents (as such term is defined in the Trust Deed), the Agency Agreement, if applicable, the Swiss Paying Agency Agreement (if any) and the EUI Agency Agreement (if any). In this paragraph, **Private Placement Note** means any Note that is not (i) offered to the public in the EEA for the purposes of article 3.1 of Directive 2003/71/EC (as amended, (including by Directive 2010/73/EU (the **2010 PD Amending Directive**)) to the extent that such amendments have been implemented in a Member State of the EEA) (the **Prospectus Directive**) (except as specified under article 3.2 of the Prospectus Directive) or (ii) admitted to trading in the EEA for the purposes of article 3.3 of the Prospectus Directive. In this paragraph, **Short Term Note** means a Note that has a maturity of less than 12 months from its Issue Date.



By subscribing to, or otherwise acquiring, the Notes, each holder of Notes expressly acknowledges and agrees that:

- (i) the Issuer (i) is subject to the Securitisation Act 2004 and (ii) in connection with the Notes and any Related Notes has created a specific Compartment, which Compartment shall be identified by the number and/or name ascribed to it in the applicable Final Terms and is a Category A Compartment or Category B Compartment as specified in the applicable Final Terms, to which all assets, rights, claims and agreements relating to the Notes and any Related Notes will be allocated, subject as provided in the applicable Final Terms;
- (ii) the provisions with respect to Order of Priority included in the applicable Final Terms will apply;
- (iii) in the event of any Note Acceleration and enforcement of the applicable Security, its recourse shall be limited to (a) the Charged Assets described in the applicable Final Terms and, if the Notes are Category B Notes as specified in the applicable Final Terms, and in the event of a Charged Assets Shortfall (as defined below), the Supplementary Assets (if any) described in the applicable Final Terms, and not to the assets allocated to other Compartments created by the Issuer or to any other assets of the Issuer and (b) if the Notes are Guaranteed Notes (as defined below) as specified in the applicable Final Terms, sums obtained on its behalf by the Trustee under the Guarantee for any Guaranteed Shortfall Amount, subject to the terms set out herein and in the applicable Final Terms;
- (iv) without prejudice to the rights of the Trustee held for the benefit of holders of Guaranteed Notes under the Guarantee, once all moneys received by the Trustee in connection with the enforcement of the Security over the Charged Assets have been applied in accordance with the Order of Priority specified in the applicable Final Terms, and, if the Notes are Category B Notes, and in the event of a Charged Assets Shortfall, once all moneys received in connection with the Supplementary Assets (if any) have been applied by the Trustee in satisfaction of the Noteholders' claims, it will not be entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sums shall be extinguished;
- (v) it shall have no right to attach or otherwise seize the Charged Assets (subject as provided above), the Supplementary Assets (if any) or any other assets of the Issuer, including, without limitation, any assets allocated to any other Compartments of the Issuer; and
- (vi) no holder of Notes shall be entitled to petition or take any other step for the liquidation, winding-up or the bankruptcy of the Issuer or any similar proceedings.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated, and provided that in the event of any inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Terms and Conditions, the Guarantor shall mean Societe Generale in its capacity as guarantor pursuant to the Guarantee (as defined in Condition 3 (*Status of the Notes and the Guarantee; Guaranteed Notes*)) in respect of any Notes. Accordingly, references herein to the Guarantor are applicable only in the context of such Notes.

## 1. FORM, DENOMINATION, REDENOMINATION AND TITLE

The Notes, except for Notes in registered form (**Registered Notes**) and Uncertificated Notes (as defined below), are in bearer form (**Bearer Notes**), and, in the case of Bearer Definitive Notes, serially numbered, in the Specified Currency or Currencies and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

Uncertificated Notes are in uncertificated and dematerialised book-entry form. No global or definitive Notes will be issued in respect of Uncertificated Notes and these Terms and Conditions shall be

construed accordingly. Uncertificated Notes will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, the relevant central securities depository and clearing institution, provided that Uncertificated Notes, or any interest therein, may not at any time be transferred to a transferee in the United States or a U.S. Person. Title to Uncertificated Notes (other than Uncertificated SIS Notes) will pass by registration in the register that the Issuer will procure to be kept by a central securities depository and clearing institution on behalf of the Issuer. Where a nominee is so evidenced, it shall be treated as the holder of the relevant Uncertificated Notes.

A **SIS Note** is either a Bearer Note (a **Bearer SIS Note**) or an Uncertificated Note (an **Uncertificated SIS Note**) which is, or is intended to be, deposited or registered with and cleared through SIS. SIS Notes may be denominated in Swiss Francs or other currencies approved by SIS. The applicable Final Terms will indicate whether SIS Notes are CHF SIS Notes, Other SIS Notes (each as defined below) or Uncertificated SIS Notes.

Bearer SIS Notes are represented by a permanent Bearer Global Note without interest coupons that will be deposited by the Principal Swiss Paying Agent with SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or any such intermediary, the **Intermediary**) on or prior to the original issue date of the Tranche. Once the permanent Bearer Global Note representing the Bearer SIS Notes has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, such Bearer SIS Notes will constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) (**Intermediated Securities**). Bearer SIS Notes denominated in Swiss Francs benefit from a limited exception to the certification in bearer form requirement of the TEFRA D Rules, if such Bearer SIS Notes fulfil the relevant requirements set out below. Bearer SIS Notes denominated in Swiss Francs which fulfil these requirements are hereinafter referred to as **CHF SIS Notes**. Bearer SIS Notes denominated in Swiss Francs which do not fulfil these requirements and Bearer SIS Notes denominated in a currency approved by SIS other than Swiss Francs are hereinafter referred to as **Other SIS Notes**. Other SIS Notes may be subject to additional selling restrictions and additional U.S. tax disclosure as set out in the applicable Final Terms.

The following criteria must be fulfilled in order for the limited exception to the certification requirement of the TEFRA D Rules to apply:

- (a) interest on, and the principal of, the CHF SIS Notes are denominated only in Swiss Francs;
- (b) interest on, and the principal of, the CHF SIS Notes are payable only in Switzerland;
- (c) the CHF SIS Notes are offered and sold in accordance with Swiss customary practice and documentation;
- (d) the relevant Dealers agree to use reasonable efforts to sell the CHF SIS Notes within Switzerland;
- (e) the CHF SIS Notes are not listed, or subject to an application for listing, on an exchange located outside Switzerland;
- (f) the issuance of the CHF SIS Notes is subject to guidelines or restrictions imposed by Swiss governmental, banking or securities authorities; and
- (g) more than 80 per cent. by value of the CHF SIS Notes included in the offering of which they are part are offered and sold to non-Dealers by Dealers maintaining an office located in Switzerland.

Uncertificated SIS Notes will be entered into the main register (*Hauptregister*) of the Intermediary on or prior to their issue date. Once the Uncertificated SIS Notes are registered in the main register of the Intermediary, such Uncertificated SIS Notes will constitute Intermediated Securities.

In the case of SIS Notes, no printing of definitive Notes, Receipts or Coupons will occur (except as provided herein with respect to Bearer SIS Notes only). No Holder of Bearer SIS Notes shall at any time have the right to effect or demand the conversion of the permanent Bearer Global Note representing such Bearer SIS Notes into, or the delivery of, Bearer SIS Notes in definitive form (**Bearer Definitive SIS Notes**) or uncertificated form. If (i) the relevant lead manager (in the case of any Bearer SIS Notes that are listed on SIX Swiss Exchange) or the Principal Swiss Paying Agent (in the case of any Bearer SIS Notes not listed as aforesaid) deems the printing of definitive Notes, Receipts or Coupons to be necessary or useful or (ii) the presentation of definitive Notes, Receipts or Coupons is required by Swiss or foreign laws in connection with the enforcement of rights (including in cases of bankruptcy, consolidation or reorganisation of the Issuer) (each such circumstance, in respect of Bearer SIS Notes, a **Bearer SIS Notes Exchange Event**), the relevant lead manager (in the case of any Bearer SIS Notes which are listed on the SIX Swiss Exchange) or the Principal Swiss Paying Agent (in the case of any Bearer SIS Notes not listed as aforesaid) will provide for the printing of such definitive Notes, Receipts and Coupons at the expense of the Issuer and without cost to the relevant Noteholders. The Issuer irrevocably authorises the relevant lead manager (in the case of any Bearer SIS Notes that are listed on the SIX Swiss Exchange) or the Principal Swiss Paying Agent (in the case of any Bearer SIS Notes that are not listed as aforesaid) to provide for such printing on its behalf. If Bearer Definitive SIS Notes are delivered, the relevant Bearer Global Note will immediately be cancelled by the Principal Swiss Paying Agent or the relevant lead manager, as the case may be, and the Bearer Definitive SIS Notes shall be delivered to the relevant holders against cancellation of the relevant Bearer SIS Notes in such holders' securities accounts.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Note, a Fixed/Floating Rate Note, a Physical Delivery Note, a Dual Currency Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Interest/Payment/Redemption Basis shown in the applicable Final Terms, or such other type of Note as indicated in the applicable Final Terms.

Any reference herein to **Physical Delivery Notes** shall mean any Series of Notes specified as such in the applicable Final Terms, which Notes are linked to the Underlying Asset(s) described in the applicable Final Terms.

Bearer Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Subject as set out below, the Issuer, the Guarantor, the Trustee and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes (other than SIS Notes) or the Registered Notes is represented by a global Note held on behalf of, or in the case of Registered Notes, by a common depositary on behalf of, Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and any Paying Agent as the holder of such nominal amount of the Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note or, as applicable, the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "Noteholder" and "holder

of Notes” and related expressions shall be construed accordingly). Without limitation to the foregoing, in determining whether a particular person is entitled to a particular nominal amount of the Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

If the applicable Final Terms indicate that such Note, (a) in the case of a Bearer Global Note, is intended to be in Eurosystem-eligible NGN form or (b) in the case of Registered Global Notes, is intended to be in Eurosystem-eligible NSSRGN form, payment of principal or interest to the holder of a particular nominal amount of such Notes as held by a Common Safekeeper shall be entered *pro rata* in the records of the relevant Clearing Systems, whereupon the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by such Notes shall be reduced by the amount of such payment (in the case of principal only).

In the case of Bearer SIS Notes, each holder thereof shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the permanent Bearer Global Note representing such Bearer SIS Notes to the extent of his claim against the Issuer, provided that, for so long as the permanent Bearer Global Note remains deposited with the Intermediary, the co-ownership interest shall be suspended and the Bearer SIS Notes may only be transferred by the entry of the transferred Bearer SIS Notes in a securities account of the transferee. Uncertificated SIS Notes may also only be transferred by the entry of the transferred Uncertificated SIS Notes in a securities account of the transferee. The records of the Intermediary will determine the number of SIS Notes held through each participant of the Intermediary. In respect of SIS Notes held in the form of Intermediated Securities (*Bucheffekten*), the holders of such SIS Notes will be the persons holding such SIS Notes in a securities account (*Effektenkonto*) that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries holding such SIS Notes for their own account in a securities account that is in their name (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly). So long as the SIS Notes constitute Intermediated Securities, they may only be transferred by the entry of the transferred SIS Notes in a securities account of the transferee. No holder of SIS Notes will at any time have the right to effect or demand the conversion of such SIS Notes into, or the delivery of, a permanent global Note or definitive Notes.

For so long as the Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Rule 144A Global Note or a Regulation S Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note or Regulation S Global Note for all purposes under the Trust Deed, the Transaction Documents and the Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly).

Notes which are represented by a global Note held on behalf of Euroclear, Clearstream, Luxembourg or DTC will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg and/or SIS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The Notes may also be held in registered uncertificated form (such Notes, the **EUI Notes**) in accordance with the Uncertificated Securities Regulations 2001, including any amendment thereto or modification or re-enactment thereof for the time being in force (the **Regulations**). The EUI Notes are participating securities for the purposes of the Regulations. Title to the EUI Notes is recorded on the relevant Operator register of corporate securities. The EUI Agent on behalf of the Issuer shall, in relation to the EUI Notes, maintain a record (the **Record**) of uncertificated corporate securities in accordance with the records of Euroclear UK & Ireland Limited (**EUI**, formerly known as CRESTCo Limited) and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance

with the rules and practices from time to time of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of EUI Notes shall be treated by the Issuer and the EUI Agent as the holder of such number of EUI Notes for all purposes (and the expression **EUI Holder** and related expressions shall be construed accordingly), and (ii) neither the Issuer, the Guarantor nor the EUI Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the EUI Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the EUI Notes. For the avoidance of doubt, in the event of any differences in information contained in the Record and the register of notes in registered form kept at the Issuer's registered office, the register kept at the Issuer's registered office shall prevail for Luxembourg law purposes.

No provisions of these Conditions amended in accordance with any applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to EUI Notes (ii) the transfer of title to EUI Notes by means of a relevant system or (iii) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the EUI Notes are participating securities, (a) any EUI Notes which are not for the time being in all respects identical to, or do not for the time being have rights attached thereto identical in all respects to those attached to, other EUI Notes of the same Series shall be deemed to constitute a separate Series of EUI Notes, (b) the Operator register of corporate securities relating to the EUI Notes shall be maintained at all times in the United Kingdom, (c) the EUI Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations; and (d) for the avoidance of doubt, these Conditions and the applicable Final Terms in relation to any EUI Notes shall remain applicable notwithstanding that they are not endorsed on any certificate for such EUI Notes.

As used herein each of "Operator register of corporate securities", "participating securities", "record of uncertificated corporate securities" and "relevant system" is as defined in the Regulations and the relevant "Operator" (as such term is used in the Regulations) is EUI (formerly CRESTCo. Limited) or any additional or alternative operator from time to time approved by the Issuer, the Guarantor and the EUI Agent in relation to the EUI Notes and in accordance with the Regulations. Any reference herein to the Operator shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the EUI Holders.

Any indication herein that the Operator "shall" do, or similar expression or phrase indicating that they are obliged to or will carry out any role or obligation described in these Conditions and/or the applicable Final Terms, as the case may be, is given without any assumption by the Issuer, the Guarantor, the EUI Agent or the Calculation Agent, of responsibility or liability for the performance of the Operator.

References in these Conditions to "EUI Notes" shall include, where the context admits, Depository Interests (as defined in the CREST Deed Poll) representing Notes, issued by CREST Depository Limited subject to and in accordance with the CREST Deed Poll.

References to the CREST Deed Poll are to the global deed poll dated 25 June 2001, as subsequently modified, supplemented and/or restated.

The Issuer may (if so specified in the applicable Final Terms), on any Interest Payment Date as specified in the applicable Final Terms, without the consent of the Noteholders, by giving at least 30 days' notice in accordance with Condition 19 (*Notices*), and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the third stage of the European Economic and Monetary Union (as provided in the Treaty on the Functioning of the European Union (the **EU**), as amended from time to time (the **Treaty**)) or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not some only, of the Notes of any series into Euro and adjust the aggregate principal amount and the Denomination(s) set out hereon accordingly, as described below. The date on which such

redenomination becomes effective shall be referred to in these Terms and Conditions as the **Redenomination Date**.

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

If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 19 (*Notices*). Any balance remaining from the redenomination with a denomination higher than 0.01 Euro shall be paid by way of cash adjustment rounded to the nearest 0.01 Euro (with 0.005 Euro being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to Noteholders by the Issuer.

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

Unless otherwise specified herein, the Issuer may, with the prior approval of the Issuing and Paying Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 17 (*Further Notes, Related Notes and Consolidation*), without the consent of the Noteholders, make any changes or additions to these Conditions which it reasonably believes to be necessary or desirable to give effect to the provisions of this Condition or Condition 17 (*Further Notes, Related Notes and Consolidation*) (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of the Noteholders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

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

## **2. TRANSFERS OF REGISTERED NOTES AND UNCERTIFICATED NOTES**

### **2.1 Registered Notes**

#### **(a) *Transfers of interests in Registered Global Notes***

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Definitive Notes or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the

rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) *Transfers of Registered Definitive Notes*

Subject as provided in Conditions 2.1(e) (*Transfers of interests in Regulation S Global Notes and in Non-U.S. Registered Global Notes*), 2.1(f) (*Transfers of interest in Legended Notes*) and 2.1(g) (*Exchanges and transfers of EUI Notes*) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Definitive Note for registration of the transfer of the Registered Definitive Note (or the relevant part of the Registered Definitive Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial regulations being set out in Schedule 6 (*Register and Transfer of Registered Notes*) to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Definitive Note of an equal aggregate nominal amount to the Registered Definitive Note (or the relevant part of the Registered Definitive Note) transferred. In the case of the transfer of part only of a Registered Definitive Note, a new Registered Definitive Note in respect of the balance of the Registered Definitive Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. For the avoidance of doubt, in the event of any differences in information contained in the Register and the register of notes in registered form kept at the Issuer's registered office (hereinafter the **Issuer Register**), the Issuer Register shall prevail for Luxembourg law purposes.

(c) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Transfers of interests in Regulation S Global Notes and in Non-U.S. Registered Global Notes*

Transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. Person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person that is a QP whom the transferor reasonably believes is also a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Such transferee may take delivery through a Legended Note in global or definitive form.

Transfers of a Non-U.S. Registered Global Note or a beneficial interest therein may not at any time be made to a transferee in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised.

(f) *Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person that is a QP whom the transferor reasonably believes is also a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) to a transferee who takes delivery of such interest through Notes represented by a Combined Global Note, from a holder of Notes represented by that Combined Global Note:
  - (A) prior to the expiry of the Distribution Compliance Period only, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made either (x) to a person that is a QP whom the transferor reasonably believes is also a QIB in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. Person in an offshore transaction pursuant to Regulation S; and
  - (B) after the expiry of the Distribution Compliance Period, either (x) to a person that is a QP whom the transferor reasonably believes is also a QIB in a transaction meeting the requirements of Rule 144A or (y) to a non-U.S. Person in an offshore transaction pursuant to Regulation S but, in either case, without certification;
- (iv) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with



the Securities Act, the Investment Company Act and any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction. Additional certifications may be required as set out in the applicable Final Terms.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Investment Company Act and the Securities Act.

(g) *Exchanges and transfers of EUI Notes*

Following their delivery into Euroclear and Clearstream, Luxembourg, interests in Notes may be delivered, held and settled in CREST by means of the creation of dematerialised depository interests representing the interests in the relevant Notes.

Pursuant to the CREST Reference Manual, Notes held in global form by the common depository may be settled through the CREST system, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through the CREST system.

The CDIs will be created pursuant to and issued on the terms of the CREST Deed Poll. Interests in the underlying Notes will be credited to the CREST nominee's account with Euroclear and the CREST nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated as one underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the underlying Notes on trust for such CDI holder. CDI holders will also be able to receive from the CREST Depository notices of meetings of holders of underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in underlying Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such underlying Notes the CDIs to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same international security identification number (ISIN) as the underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of the CREST Reference Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository.

The rights of the holders of CDIs will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Reference Manual (which forms part of the CREST Reference Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

(h) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Definitive Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(i) *Definitions*

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

**Combined Global Note** means a Registered Global Note representing Notes eligible for sale in the United States to QIBs that are also QPs pursuant to Rule 144A and to non-U.S. Persons outside the United States in reliance on Regulation S. Combined Global Notes may not be cleared or settled through DTC;

**CREST Deed Poll** means a global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated), as all more fully described in the section headed Book Entry Clearance Systems of the CREST Reference Manual;

**CREST Reference Manual** means the CREST Reference Manual dated September 2010, as may be modified, amended, supplemented and/or restated from time to time, as published by EUI;

**CREST Depository** means CREST Depository Limited;

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of the relevant Notes as determined by the relevant lead manager;

**EUI (or CREST)** means Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited);

**EUI Notes** means Notes and CDIs held in registered uncertificated form in accordance with the Regulations;

**Eurosystem** means the European System of Central Banks as the term is used by the Governing Council of the European Central Bank;

**Eurosystem-eligible NGN** means an NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms;

**Eurosystem-eligible NSSRGN** means an NSSRGN which is intended to be held in a manner which would allow Eurosystem eligibility, as indicated in the applicable Final Terms;

**Investment Company Act** means the United States Investment Company Act of 1940, as amended;

**Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to persons that are both QIBs and QPs in accordance with the requirements of Rule 144A;

**New Global Note** or **NGN** means a temporary Bearer Global Note or permanent Bearer Global Note in either case where the applicable Final Terms indicate that such Note is intended to be issued in new global note form;

**Non-U.S. Registered Global Note** means a Registered Global Note representing Non-U.S. Registered Notes;

**Non-U.S. Registered Notes** means Registered Notes sold exclusively outside the United States in reliance on Regulation S and permanently restricted from sale, transfer or delivery in the United States or to a U.S. Person;

**NSS Registered Global Note** or **NSSRGN** means a Registered Global Note where the applicable Final Terms indicate that such Note is intended to be issued under the new safekeeping structure;

**Permanently Restricted Notes** means Non-U.S. Registered Notes and Uncertificated Notes which are designated in the Final Terms to be Permanently Restricted Notes;

**QIB** means a “qualified institutional buyer” within the meaning of Rule 144A;

**QP** means a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Note** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S other than Non-U.S. Registered Notes;

**Regulations** mean the Uncertificated Securities Regulations 2001, including any amendment thereto or modification or re-enactment thereof for the time being in force;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Note** means a Registered Global Note representing Notes sold in the United States or to QIBs that are also QPs;

**Securities Act** means the United States Securities Act of 1933, as amended;

**Uncertificated Notes** means Notes which are in uncertificated and dematerialised book-entry form and shall include SIS Notes, EUI Notes; and

**U.S. Person** means a “U.S. person” as defined in Regulation S.

## 2.2 EUI Notes

All transactions in respect of EUI Notes (including transfers thereof) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator. Title will pass upon registration of the transfer in the Operator register of corporate securities. For the avoidance of doubt, in the event of any differences in information contained in the Operator register and the Issuer Register, the Issuer Register shall prevail for Luxembourg law purposes.

## 3. STATUS OF THE NOTES AND THE GUARANTEE; GUARANTEED NOTES

### (a) *Status of the Notes and Guarantee*

The Notes, Coupons and Receipts are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves (unless otherwise specified in the relevant Final Terms), which are secured and with limited recourse as described in Condition 8 (*Compartment Assets and Supplementary Assets*) and the applicable Final Terms. The Notes are issued subject to, and in accordance with, the provisions of the Securitisation Act 2004.

Unless otherwise specified in the applicable Final Terms, the Guarantee (if applicable) constitutes an unsecured, unsubordinated and general obligation of the Guarantor and ranks and will rank *pari passu* with all other existing and future unsecured, unsubordinated and general obligations of the Guarantor, but excluding any debts for the time being preferred by law and senior to any subordinated obligations.

### (b) *Guaranteed Notes*

If the Notes are **Guaranteed Notes** as specified in the applicable Final Terms, and subject to the satisfaction of the conditions set out therein and in the relevant provisions of the Trust Deed (which are referred to as the **Guarantee**), the guarantor specified in the applicable Final Terms

(in such capacity **Guarantor**), pursuant to the Guarantee, unconditionally and irrevocably guarantees to each Holder that, if following the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets in accordance with Condition 12 (*Enforcement and Realisation*), the net proceeds of such enforcement or liquidation are not sufficient to make all payments due in respect of the Notes in accordance with the Order of Priority specified in the applicable Final Terms, the Guarantor will as soon as reasonably practical and in any event not later than ten Business Days (as defined in Condition 6(a)) after a demand has been made on the Guarantor by the Trustee (without requiring the Trustee first to take steps against the Issuer or any other person) pay an amount equal to the Guaranteed Shortfall Amount in the currency in which such Guaranteed Shortfall Amount is payable in immediately available funds as though the Guarantor were the principal obligor in respect of such obligation.

The Guarantee is contingent upon, and the Guarantor shall only be obliged to make any payment of the Guaranteed Shortfall Amount following, the completion of the enforcement or liquidation in full of the relevant Charged Assets and, as the case may be, the Supplementary Assets, in the manner set out in Condition 12 (*Enforcement and Realisation*).

The Guarantee shall not apply to any Series of Guaranteed Notes issued by the Issuer to the extent that, at the Issue Date of such Series of Guaranteed Notes, the sum of (A) the Aggregate Nominal Amount of such Series of Guaranteed Notes and (B) the sum of the Aggregate Nominal Amounts of each Series of Guaranteed Notes issued by the Issuer and outstanding on such Issue Date, in each case, converted into euro at the relevant spot rate of exchange on such Issue Date, is equal to an amount which exceeds EUR 5,000,000,000.

In this Condition, **Guaranteed Shortfall Amount** means the difference, if any, between the Market Value (as defined in Condition 7(g)(v)) of the Notes and the net proceeds of the enforcement or liquidation of the relevant Charged Assets and, as the case may be, the Supplementary Assets, received by the Holder of such Notes in accordance with the Order of Priority specified in the applicable Final Terms.

#### 4. RESTRICTIONS

- (a) The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any of the Notes remains outstanding, it will not, without the prior written consent of the Trustee (on behalf of the Noteholders and the holders of any Related Notes) and each Compartment Party (as defined in the applicable Final Terms):
- (i) engage in any activity or do anything whatsoever, except:
    - (A) issue instruments which are subject to the Securitisation Act 2004 and the enforcement and limited recourse provisions of the Trust Deed or any other relevant agreement (**Permitted Instruments**, provided that such term shall include, without limitation, Further Notes and Related Notes (each as defined below));
    - (B) otherwise incur indebtedness (any such indebtedness, **Permitted Indebtedness**) in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is subject to the Securitisation Act 2004 and/or is secured on assets or other property which are not part of the Charged Assets, and on terms which provide for the extinguishment of all claims in respect of such indebtedness (x) constituting a Residual Shortfall Amount, in the case of any such indebtedness which is in the form of a Series of notes issued by the Issuer under another Compartment and (y) in all other cases, after application of the proceeds of the assets or property on which such indebtedness is secured;

- (C) enter into any deed or agreement of any kind related to any Permitted Instrument or Permitted Indebtedness, but provided always that, other than in the case of any Related Notes, any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder relate to a Compartment of specified assets of the Issuer (other than its share capital) which do not form part of the Charged Assets and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured;
  - (D) acquire, or enter into any agreement constituting, the collateral in respect of any Permitted Instrument or the assets securing any Permitted Indebtedness to enable it to discharge its obligations under such Permitted Instrument or Permitted Indebtedness or the Transaction Documents;
  - (E) perform its obligations under each Permitted Instrument or Permitted Indebtedness, or any deed or agreement incidental to the issue and constitution of, or the granting of security for, any Permitted Instrument or Permitted Indebtedness;
  - (F) enforce any of its rights whether under any deed or agreement entered into in relation to any Permitted Instrument or Permitted Indebtedness;
  - (G) perform any act incidental to or necessary in connection with any of the above; or
  - (H) as permitted by the Conditions;
- (ii) have an interest in any bank account other than any Deposit Account and, if applicable, the Category X Account, unless such account or interest therein is charged to the Trustee on terms acceptable to it;
  - (iii) dispose of any of its property or other assets or any part thereof or interest therein (subject (A) to subparagraph (i) above and (B) as provided in the terms and conditions relating to any Permitted Instrument or the terms and conditions relating to any Permitted Indebtedness);
  - (iv) issue any (A) Related Notes or (B) if the Notes are Category B Notes (as defined below), further Category B Notes under another Compartment unless, in each case, the trustee and/or guarantor thereof is the same person as, respectively, the Trustee and/or, as the case may be, the Guarantor for the Notes;
  - (v) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;
  - (vi) pledge its assets for the benefit of any other entity or make any loans or advances to any entity (except as provided in the Transaction Documents);
  - (vii) consolidate or merge with any other person; or
  - (viii) take, or permit to be taken, any action that would cause the Issuer, or the Compartment under which, or in the case of the Category X Compartment, with whose benefit, the Notes are issued, to become required to register as an investment company under the Investment Company Act.

- (b) The Issuer has covenanted in the Trust Deed that, *inter alia*, save with the prior written consent of the Trustee (on behalf of the Noteholders and the holders of any Related Notes) and the Compartment Parties, the Issuer shall, so long as any of the Notes remains outstanding:
- (i) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
  - (ii) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its affiliates (if any);
  - (iii) pay its own liabilities out of its own funds;
  - (iv) not commingle its assets with those of any other entity; and
  - (v) observe all formalities required by its memorandum and articles of association (including maintaining adequate capital for its operations).

## 5. INTEREST

(a) *Interest on Fixed Rate Notes*

(1) Unadjusted Fixed Rate Notes

Unless otherwise specified in the applicable Final Terms, each Unadjusted Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Unless otherwise specified in the applicable Final Terms, if the Notes are Bearer Definitive Notes, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such date will amount to the fixed coupon amount (the **Fixed Coupon Amount**). Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the broken amount (the **Broken Amount**) so specified.

Except in the case of Notes which are Bearer Definitive Notes, where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the rate of interest specified in the applicable Final Terms (the **Rate of Interest**) to:

- (i) in the case of Fixed Rate Notes which are Uncertificated Notes or Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes of the relevant Series (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes which are Bearer Definitive Notes or Registered Definitive Notes, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (defined below) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms. Where the Specified Denomination of a Fixed Rate Note which is a Bearer Definitive Note or a Registered Definitive Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

- (2) Adjusted Fixed Rate Notes
- (i) Unless otherwise specified in the applicable Final Terms, each Adjusted Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms, and such interest will be payable in respect of each Interest Period and in arrear on the Interest Payment Date(s) in each year specified in the applicable Final Terms, provided that (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:
- (A) the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (B) the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (C) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day,

and the expression **Interest Payment Date** shall be construed accordingly.

- (ii) The Issuing and Paying Agent will calculate the amount of interest (the **Adjusted Fixed Rate Interest Amount**) payable on the Adjusted Fixed Rate Notes for the relevant Interest Period by applying the Rate of Interest to:
- (A) in the case of Adjusted Fixed Rate Notes which are Uncertificated Notes or Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes of the relevant Series (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Adjusted Fixed Rate Notes which are Bearer Definitive Notes or Registered Definitive Notes, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of an Adjusted Fixed Rate Note which is a Bearer Definitive Note or a Registered Definitive Note is a multiple of the Calculation Amount, the Adjusted Fixed Rate Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The Issuing and Paying Agent will cause the Adjusted Fixed Rate Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor and the Trustee and any stock exchange on which the relevant Adjusted Fixed Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 (*Notices*) as soon as possible after the calculation or determination thereof (provided that in the case of notification to any stock exchange, such notice will be given by no later than the first day of the relevant Interest Period or, if that is impossible due to the date fixed for such determination or

calculation, as soon as practicable on or after such date). Each Adjusted Fixed Rate Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Fixed Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 19 (*Notices*). For the purposes of these Conditions, the expression Luxembourg Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Luxembourg.

For the purpose of this Condition 5(a):

A **Fixed Rate Note** means a Note which bears a fixed rate of interest.

An **Unadjusted Fixed Rate Note** means a Fixed Rate Note in respect of which the interest amount and the Interest Payment Date remain, for the purposes of this Condition 5 (and without prejudice to the provisions of Condition 6(g) (*Payment Business Day*)), unchanged and are calculated as provided in Condition 5(a)(1) (*Unadjusted Fixed Rate Notes*) above.

An **Adjusted Fixed Rate Note** means a Fixed Rate Note in respect of which the interest amount and the Interest Payment Date are subject to modification in accordance with Condition 5(a)(2) (*Adjusted Fixed Rate Notes*) above.

Fixed Rate Notes may provide for a method of calculating interest, which does not require any Day Count Fraction as interest payable on each specified Interest Payment Date is determined by applying the Rate of Interest to the Specified Denomination as it shall be set out in the applicable Final Terms and/or Schedule thereto.

(b) *Interest on Variable Rate Notes*

(i) Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, each Floating Rate Note, Index Linked Interest Note and other Note in respect of which the relevant interest is not determined pursuant to a fixed Rate of Interest (together, the **Variable Rate Notes**) bears interest from and including the Interest Commencement Date specified in the applicable Final Terms, and such interest will be payable in respect of each Interest Period and in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date together with each Interest Payment Date specified in the applicable Final Terms an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.



If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the **Floating Rate Convention**, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month in which the relevant Interest Period ends; or
- (B) the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (C) the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (D) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an unadjusted basis, the Interest Amount payable on any date shall not be affected by the application of such Business Day Convention.

In this Condition 5, **Business Day** means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in each Additional Business Centre(s) specified in the applicable Final Terms; and
- (B) either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and, if the Specified Currency is Canadian dollars, shall be Montreal) or (y) in relation to any sum payable in euro, a day on which the TARGET2 System is open (a **TARGET2 Business Day**). In these Terms and Conditions, **TARGET2 System** means TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system).

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Variable Rate Notes will be determined in the manner specified in the applicable Final Terms, which may be, without limitation:

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Issuing and Paying Agent or other person specified in the applicable Final Terms, under an interest rate swap transaction if the Issuing and Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- I. the Floating Rate Option is as specified in the applicable Final Terms;
- II. the Designated Maturity is a period specified in the applicable Final Terms; and
- III. the relevant Reset Date is either (x) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**), or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (y) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph, **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity**, **Reset Date** and **Euro-zone** have the meanings given to those terms in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- I. the offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at the Specified Time indicated in the applicable Final Terms (which will

be 11.00 a.m., London time, in the case of LIBOR or 11.00 a.m., Brussels time, in the case of EURIBOR) on the relevant interest determination date (the **Interest Determination Date**) as specified in the applicable Final Terms plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Issuing and Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuing and Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Issuing and Paying Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Issuing and Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuing and Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuing and Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuing and Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuing and Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuing and Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuing and Paying Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer and the Issuing and Paying Agent suitable for such purpose) informs the Issuing and Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) (or, as the case may be, the quotations of such bank or banks to the Issuing and Paying Agent) plus or minus (as appropriate) the Margin (if any), provided that if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph,

the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

**Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuing and Paying Agent, and approved in writing by the Trustee, or as specified in the applicable Final Terms.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or, as the case may be, EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(C) Other Determination

Where a manner of determination other than ISDA Determination or Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined in the manner so specified (including, if so specified, by reference to the Technical Annex to the Terms and Conditions).

(iii) Minimum and/or Maximum Rate of Interest and/or Rate Multiplier

Subject to the provisions of Condition 5(b)(ii)(A) (*ISDA Determination*), if the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the provisions of Condition 5(b)(ii) (*Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the provisions of Condition 5(b)(ii) (*Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

If the applicable Final Terms specifies a Rate Multiplier for any Interest Period, then, the Rate of Interest in respect of any such Interest Period shall be multiplied by the relevant Rate Multiplier, subject always to the Minimum and/or Maximum Rate of Interest as described above.

If  $n/N$  or  $n_b/N_b$  is specified as the Rate Multiplier in the applicable Final Terms, the following definitions shall apply, unless otherwise specified in the applicable Final Terms:

**n** means the number of calendar days in the relevant Interest Period in respect of which the Benchmark was equal to or greater than the Lower Limit and equal to or lower than the Upper Limit, in each case as determined by the Calculation Agent.

**N** means the total number of calendar days within the relevant Interest Period.

$n_b$  means the number of Business Days in the relevant Interest Period in respect of which the Benchmark was equal to or greater than the Lower Limit and equal to or lower than the Upper Limit, in each case as determined by the Calculation Agent.

$N_b$  means the total number of Business Days within the relevant Interest Period.

**Lower Limit** means, in respect of the relevant Interest Period, the limit specified in the applicable Final Terms.

**Benchmark** means, in respect of any calendar day (in respect of the definition of “n”) or, as applicable, Business Day (in respect of the definition of “ $n_b$ ”) of the relevant Interest Period, unless otherwise specified in the applicable Final Terms:

- if **USD-LIBOR** is specified as the applicable Benchmark in the Final Terms, the rate equal to the Floating Rate for such day that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which the Floating Rate Option is “USD-LIBOR-BBA” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date). If on any Benchmark Day, such rate does not appear on Reuters Screen LIBOR01 Page, USD-LIBOR will be determined by the Calculation Agent as aforesaid in accordance with the Floating Rate Option “USD-LIBOR-Reference Banks” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date).
- if **GBP-LIBOR** is specified as the applicable Benchmark in the Final Terms, the rate equal to the Floating Rate for such day that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which the Floating Rate Option is “GBP-LIBOR-BBA” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date). If on any Benchmark Day, such rate does not appear on Reuters Screen LIBOR01 Page, GBP-LIBOR will be determined by the Calculation Agent as aforesaid in accordance with the Floating Rate Option “GBP-LIBOR-Reference Banks” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date).
- if **EURIBOR** is specified as the applicable Benchmark in the Final Terms, the rate equal to the Floating Rate for such day that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which the Floating Rate Option is “EUR-EURIBOR-Reuters” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date). If on any Benchmark Day, such rate does not appear on Reuters Screen EURIBOR01 Page, EURIBOR will be determined by the Calculation Agent as aforesaid in accordance with the Floating Rate Option “EUR-EURIBOR-Reference Banks” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date).

- if **EUR-CMS** is specified as the applicable Benchmark in the Final Terms, the rate equal to the Floating Rate for such day that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which the Floating Rate Option is “EUR-ISDA-EURIBOR Swap Rate-11:00” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without Reference to any Reset Date), and appearing on Reuters Screen ISDAFIX2 Page as at 11.00 a.m. (Frankfurt time) under the heading “EURIBOR BASIS – FRF” and above the caption “11:00 AM FRANKFURT”. If on any Benchmark Day, such rate does not appear on Reuters Screen ISDAFIX2 Page, EUR-CMS will be determined by the Calculation Agent as aforesaid in accordance with the Floating Rate Option “EUR-Annual Swap Rate-Reference Banks” (as defined in the ISDA Definitions) for a period of the Designated Maturity specified in the applicable Final Terms (without reference to any Reset Date).
- if **USD-CMS** is specified as the applicable Benchmark in the Final Terms, the rate equal to the Floating Rate for such day that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which the Floating Rate Option is “USD-ISDA-Swap Rate” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without Reference to any Reset Date), and appearing on Reuters Screen ISDAFIX1 Page as at 11.00 a.m. (New York time). If on any Benchmark day, such rate does not appear on Reuters Screen ISDAFIX1 Page, USD-CMS will be determined by the Calculation Agent as aforesaid in accordance with the Floating Rate Option “USD-CMS-Reference Banks” (as defined in the ISDA Definitions) for a period of the Designated Maturity as specified in the Final Terms (without reference to any Reset Date).

For the purposes hereof, (i) the value of the Benchmark on any calendar day of the relevant Interest Period which is not a Benchmark Day shall be deemed to be the value ascribed to the Benchmark on the first preceding Benchmark Day and (ii) the value of the Benchmark on each of the last four TARGET2 Business Days of any Interest Period shall be deemed to be the value ascribed to the Benchmark on the fifth TARGET2 Business Day (or the Benchmark Day immediately preceding such fifth TARGET2 Business Day if such fifth TARGET2 Business Day is not a Benchmark Day) preceding the Interest Payment Date relating to such Interest Period.

**Benchmark Day** means, if the relevant Benchmark is:

- USD-LIBOR or GBP-LIBOR, a day (other than a Saturday or Sunday) on which banks are open for business (including dealings in foreign exchange and deposits in USD) in London;
- EURIBOR or EUR-CMS, a day (other than a Saturday or Sunday) on which the TARGET2 System is operating; and
- USD-CMS, a day (other than a Saturday or Sunday) on which banks are open for business in New York.

**Upper Limit** means, in respect of the relevant Interest Period, the limit specified in the applicable Final Terms.

(iv) Determination of Rate of Interest and calculation of Interest Amount in respect of Variable Rate Notes

The Issuing and Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of all other Variable Rate Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Rate Notes (except Floating Rate Notes), the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same (but in no event later than the first Business Day after such calculation).

The Issuing and Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Variable Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Variable Rate Notes which are Uncertificated Notes or Notes represented by a Global Note, the aggregate outstanding nominal amount of the Notes of the relevant Series (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Variable Rate Notes which are Bearer Definitive Notes or Registered Definitive Notes, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Variable Rate Note which is a Bearer Definitive Note or a Registered Definitive Note is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Variable Rate Notes may provide for a method of calculation of interest which does not require any Day Count Fraction as interest payable on each specified Interest Payment Date is determined by applying the Rate of Interest to the Specified Denomination as it shall be set out in the applicable Final Terms and/or Schedule thereto.

(v) Notification of Rate of Interest and Interest Amount

The Issuing and Paying Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the Trustee and any stock exchange on which the relevant Variable Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 19 (*Notices*) as soon as possible after the calculation or determination thereof (provided that in the case of notification to any stock exchange, such notice will be given by no later than the first day of the relevant Interest Period or, if that is impossible due to the date fixed for such determination or calculation, as soon as practicable on or after such date). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Variable Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 19 (*Notices*).

For the purposes of these Conditions, the expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Luxembourg.

(vi) Determination or Calculation by Trustee

If for any reason at any relevant time the Issuing and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Issuing and Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 5(b)(ii)(A) (*ISDA Determination*) or Condition 5(b)(ii)(B) (*Screen Rate Determination*) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with Condition 5(b)(iv) (*Determination of Rate of Interest and calculation of Interest Amount in respect of Variable Rate Notes*) above, the Trustee shall determine the Rate of Interest at such rate as, in its sole and absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 5, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest or Rate Multiplier specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Issuing and Paying Agent or the Calculation Agent, as applicable.

(vii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Issuing and Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Issuing and Paying Agent or, if applicable, the Calculation Agent or the Trustee, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Zero Coupon Notes*

Where a Zero Coupon Note becomes due and repayable and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 7(k) (*Cancellation*) and notified in accordance with Condition 5(b)(v) (*Notification of Rate of Interest and Interest Amount*), *mutatis mutandis*.

(d) *Physical Delivery Notes and Dual Currency Notes*

The rate or amount of interest payable in respect of Physical Delivery Notes or Dual Currency Notes shall be determined in the manner, and by the party, specified in the applicable Final Terms and notified in accordance with Condition 5(b)(v) (*Notification of Rate of Interest and Interest Amount*), *mutatis mutandis*.

(e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and/or otherwise as specified in the applicable Final Terms.



(f) *Accrual of Interest*

Without prejudice, in the case of Guaranteed Notes, to the provisions of Condition 3 (*Status of the Notes and the Guarantee; Guaranteed Notes*), each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if applicable) from the due date for its redemption unless payment of principal (or, in the case of any Physical Delivery Note, transfer of the Underlying Asset(s) in respect of the Physical Delivery Amount) is improperly withheld or refused (provided that in the case of any Physical Delivery Amount, transfer shall not be deemed to have been improperly withheld or refused where such transfer is delayed by reason of circumstances beyond the control of the Issuer or any of its Agents). In such event, interest will continue to be calculated and to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid or, in the case of Physical Delivery Notes, transfer of the Underlying Assets is made; and
- (ii) as provided in the Trust Deed.

(g) *Certain definitions relating to the calculation of interest*

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (A) in the case of Notes 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 (the **Determination Dates** and each a **Determination Date**) that would occur in one calendar year; or
  - (B) in the case of Notes 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 (as specified in the applicable Final Terms) 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;
- (ii) if **30/360** is specified in the applicable Final Terms and the Notes are Fixed Rate Notes, 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;
- (iii) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the

actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (iv) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (v) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (vi) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vii) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms and the Notes are Variable Rate Notes, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

Where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (viii) if **30E/360** or **EuroBond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

Where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

Where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest 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 D<sub>2</sub> will be 30.

**Determination Period** means each period from and including a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

**Interest Commencement Date** means the date from which a Note accrues interest (as specified in the applicable Final Terms). If no Interest Commencement Date is specified in the applicable Final Terms, the Issue Date shall be deemed to be the Interest Commencement Date.

**Interest Period** means, unless otherwise specified in the applicable Final Terms, the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date or such other period as is specified in the applicable Final Terms.

**Interest Rate<sub>(i-1)</sub>** means, in respect of an Interest Period, the Rate of Interest determined by the Calculation Agent in respect of the immediately preceding Interest

Period. For the avoidance of doubt, Interest Rate<sub>(i-1)</sub> is expressed as a rate per annum, unless otherwise specified in the Final Terms.

**Issue Date** means the date specified as such on the applicable Final Terms. On the Issue Date the relevant clearing systems debit and credit accounts in accordance with instructions received by them.

**Optional Interest Payment Date** means any Interest Payment Date other than a Compulsory Interest Payment Date.

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(h) *Rounding generally*

In connection with the calculation of any amount payable in respect of the Notes (including, without limitation, interest) and unless otherwise provided in these Terms and Conditions or in the applicable Final Terms, such amounts will, if necessary, be rounded to the nearest sub-unit (as defined above) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise as specified in the applicable Final Terms.

## 6. PAYMENTS

For the purposes of this Condition 6, references to payment or repayment (as the case may be) of principal and/or interest and other similar expressions will, where the context so admits, be deemed also to refer to Delivery of the Underlying Asset(s) with respect to any Physical Delivery Amount(s).

(a) *Pre-enforcement priority of payments*

Notwithstanding any provision to the contrary, but subject to Condition 8 (*Compartment Assets and Supplementary Assets*) and Condition 12 (*Enforcement and Realisation*), the Issuer (or the Custodian on its behalf) will withdraw funds standing to the credit of the Deposit Account on or after the tenth Business Day (as defined below) immediately preceding each Interest Payment Date or, as the case may be, the Maturity Date (or any other date on which the Issuer is obliged to make a payment under the Notes). Such funds shall be applied in accordance with the following order of priority (in each case, only to the extent that payments of a higher order of priority have been made in full):

- (i) first, in payment or satisfaction of all Liabilities (as defined in Condition 8(f) (*Application of Proceeds*)) incurred by or payable to the Trustee or any Appointee (which for the purpose of this Condition 6(a) and the Trust Deed shall include any taxes required to be paid and the Trustee's remuneration);
- (iii) secondly, *pro rata* in payment of any amounts owed to the Custodian for reimbursement in respect of payments made to any such party relating to sums receivable on or in respect of the Compartment Assets;
- (ii) thirdly, in payment of any amounts owed to the Compartment Party for reimbursement in respect of payments made to any such party relating to sums receivable on or in respect of the Compartment Assets;
- (iv) fourthly, *pro rata* in payment of any interest and/or principal due or overdue (including interest on interest) owed to the holders of the Notes (and, in the case of Bearer Definitive Notes, the holders of Coupons and Receipts pertaining to the Notes) and which (for the purpose of this Condition 6(a) and the Trust Deed) shall include any amount owed to the Agents for reimbursement in respect of payment of principal and interest made to any holders of the aforesaid.

Where **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Luxembourg, or in the principal financial centre of the country of the relevant Specified Currency.

(b) *Method of Payment*

Subject as provided below and, in the case of Physical Delivery Notes, Registered Notes or Uncertificated Notes, subject also as provided in the applicable Final Terms:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, except in the case of Registered Notes, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre(s) of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and, if the Specified Currency is Canadian dollars, shall be Montreal);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, except in the case of Registered Notes, by a euro-cheque;
- (iii) in the case of any Note which is a Physical Delivery Note that is to be redeemed by the transfer of the Underlying Asset(s), transfer of the Underlying Asset(s) in respect of any Physical Delivery Amount will be effected (A) by the Delivery to, or to the order of, the Noteholder of the relevant Underlying Asset(s) or (B) to, or to the order of, the Noteholder at the risk of the relevant Noteholder in such manner as may be specified in the asset transfer notice (the **Asset Transfer Notice**, the form of which is set out in Schedule 3 to the Agency Agreement), in each case, save as otherwise provided in the applicable Final Terms and subject to compliance with applicable securities laws;
- (iv) in the case of Physical Delivery Notes, the applicable Final Terms may also contain provisions for variation of settlement pursuant to an option to such effect or where the Issuer or the holder of a Physical Delivery Note (as the case may be) is not able to deliver, or take delivery of, (as the case may be) the Underlying Assets or where a Settlement Disruption Event (as described in the applicable Final Terms) has occurred, all as provided in the applicable Final Terms.

*Payments Subject to Fiscal and Other Laws*

Payments will be subject in all cases, but without prejudice to the provisions of Condition 9 (*Taxation*), to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, 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, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

In these Terms and Conditions:

**Appointee** means any attorney, manager, agent, delegate, Receiver, nominee, custodian or other person appointed by the Trustee or (subject to the prior written approval of the Trustee) by another Appointee under the Trust Deed;

**Deliver** means, in respect of any Underlying Asset, to deliver, novate, transfer (including, where the applicable Underlying Asset is a guarantee, transfer the benefit of the guarantee), assign or sell, as appropriate, in a manner customary for the settlement of the applicable Underlying Asset (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Underlying Asset

free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than an Exempt Counterclaim or Defence) or right of set-off by or of the obligor with respect to the Underlying Asset); provided that where the Underlying Asset is a Loan Participation, **Deliver** means to create (or procure the creation) of a participation in favour of the Noteholder and where the Underlying Asset is a guarantee, **Deliver** means to Deliver both the guarantee and the underlying obligation to which such guarantee relates. **Delivery** and **Delivered** will be construed accordingly. In the case of a loan (being any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement), 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;

**Exempt Counterclaim or Defence** means, in respect of any Underlying Asset, any defence based upon (a) any lack or alleged lack of authority or capacity of the relevant obligor with respect to the Underlying Asset to enter into the Underlying Asset or, where the Underlying Asset is a guarantee, the obligor in respect of the guarantee and/or the obligor in respect of the underlying obligation to which such guarantee relates, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Underlying Asset or, where the Underlying Asset is a guarantee, the guarantee and/or the underlying obligation to which such guarantee relates, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation, application or administration 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;

**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 relevant Noteholder that provides the Noteholder with recourse to the Issuer for a specified share in any payments due under the relevant loan which are received by such Issuer, any such agreement to be entered into between the Noteholder and the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate); and

**Receiver** means an administrative receiver, a receiver and manager and/or a receiver of all or any part of the relevant Charged Assets, in each case appointed under the Trust Deed.

(c) *Presentation of Bearer Definitive Notes, Receipts and Coupons*

Payments of principal in respect of Bearer Definitive Notes will (subject as provided below) be made in the manner provided in Condition 6(a) (*Pre-enforcement priority of payments*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of such Bearer Definitive Notes, and payments of interest in respect of Bearer Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)). Payments under Condition 6(a) (*Pre-enforcement priority of payments*) above made, at the option of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Subject as provided below, no payment in respect of any Bearer Definitive Note or Coupon will be made upon presentation of such Bearer Definitive Note or Coupon at any office or agency of the Issuer, the Guarantor or any

Paying Agent in the United States, and no such payment be made by transfer to an account, or by mail to an address, in the United States.

Payments of instalments of principal (if any) in respect of Bearer Definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6(a) (*Pre-enforcement priority of payments*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6(a) (*Pre-enforcement priority of payments*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Note to which it appertains. Receipts presented without the Bearer Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Bearer Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes which are Bearer Definitive Notes (other than Dual Currency Notes, Index Linked Notes or Physical Delivery Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note which is a Bearer Definitive Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Physical Delivery Note which is a Bearer Definitive Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any Floating Rate Note, Dual Currency Note, Index Linked Note or Physical Delivery Note which is settled by way of cash is presented for redemption without all unmatured Coupons appertaining thereto, payment of all amounts due in relation to such Note shall be made only against the provision of such indemnity as the Issuer may decide.

If the due date for redemption of any Bearer Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Note.

(d) *Payments in respect of Bearer Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Notes or otherwise in the manner specified in the relevant Bearer Global Note, where applicable, against presentation or surrender, as the case may be (unless, in the

case of a temporary or permanent Bearer Global Note, the applicable Final Terms indicate that such Note is intended to be in Eurosystem-eligible NGN form), of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Bearer Global Note either by the relevant Paying Agent or in the records of Euroclear and Clearstream, Luxembourg (as applicable).

(e) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) (unless, in the case of a Registered Global Note, the applicable Final Terms indicate that such Note is intended to be in Eurosystem-eligible NSSRGN form) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the Business Day (being for this purpose a day on which the relevant Clearing System in which the Notes are held is open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.D. 250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and, if the Specified Currency is Canadian dollars, shall be Montreal) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the Business Day (being for this purpose a day on which the relevant Clearing System in which the Notes are held is open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a business day) before the relevant due date (the **Record Date**) at such holder's address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.



Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

Where applicable pursuant to an election by a relevant holder, all amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(f) *General provisions applicable to payments*

The holder of a global Note (other than a SIS Note) shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the payment obligations of the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by a global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and/or interest in respect of Bearer Notes (if any) will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) if:

- (i) the Issuer and the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences for the Issuer or the Guarantor.

(g) *Payment Business Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day, the holder thereof shall instead be entitled to payment: (i) on the next following Payment Business Day in the relevant place, if "Following Payment Business Day" is

specified in the applicable Final Terms; or (ii) on the next following Payment Business Day in the relevant place, unless the date for payment would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceding Payment Business Day in the relevant place, if “Modified Following Payment Business Day” is specified in the applicable Final Terms, provided that if neither “Following Payment Business Day” nor “Modified Following Payment Business Day” is specified in the applicable Final Terms, “Following Payment Business Day” shall be deemed to apply. In the event that any adjustment is made to the date for payment in accordance with this Condition 6(g), the relevant amount due in respect of any Note, Receipt or Coupon shall not be affected by any such adjustment, unless otherwise specified in the applicable Final Terms. For these purposes, unless otherwise specified in the applicable Final Terms and except as specified in Condition 6(e) (*Payments in respect of Registered Notes*) above, **Payment Business Day** means any day which is:

- (i) subject to the provisions of the Agency Agreement, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation or, in respect of Uncertificated Notes, the place of registration; and
  - (B) each Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney and, if the Specified Currency is Canadian dollars, shall be Montreal) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(h) *Physical Delivery Notes*

The applicable Final Terms will contain provisions relating to the procedure for the delivery of any Physical Delivery Amount in respect of Physical Delivery Notes (including, without limitation, liability for the costs of transfer of Underlying Assets).

The Underlying Assets will be delivered at the risk of the relevant Noteholder in such manner as may be specified in the Asset Transfer Notice pursuant to which such Underlying Assets are delivered and, notwithstanding Condition 5(b) (*Interest on Floating Rate Notes and Index Linked Interest Notes*) above, no additional payment or delivery will be due to a Noteholder where any Underlying Assets are delivered after their due date in circumstances beyond the control of either the Issuer or the Settlement Agent.

Any delivery of Underlying Assets will only be made in compliance with applicable securities laws.

(i) *Payments on SIS Notes*

In the case of SIS Notes, unless otherwise specified in the applicable Final Terms, the relevant Swiss Paying Agency Agreement shall supplement and modify the Agency Agreement for the purposes of the relevant SIS Notes, including providing for the appointment of a Principal Swiss Paying Agent (which, in the case of Notes listed on the SIX Swiss Exchange, shall at all times be a bank or securities dealer that is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA) that will perform certain duties including, *inter alia*, those which relate to Swiss capital market customs and payment instructions and providing for the appointment of Swiss Paying Agents to act as paying agents in Switzerland for the Notes.

The Issuer shall make all payments of principal and interest due under the SIS Notes to the Principal Swiss Paying Agent in accordance with the Swiss Paying Agency Agreement and the Conditions. Payment on any SIS Notes will be made irrespective of any present or future transfer restrictions and regardless of any bilateral or multilateral payment or clearing agreement which may be applicable at any time to such payment. Payments of principal and interest in respect of any SIS Notes denominated in Swiss Francs shall be made in freely disposable Swiss Francs, and in the case of SIS Notes denominated in a currency other than Swiss Francs in such other currency, which shall also be freely disposable, without collection costs and whatever the circumstances may be, irrespective of the nationality, domicile or residence of the holder of any SIS Notes and without requiring any certification, affidavit or fulfilment of any other formality. The receipt by the Principal Swiss Paying Agent of the due and punctual payment of such funds in Switzerland shall discharge the Issuer's obligations under (i) the permanent global Note or (ii) the Definitive Bearer SIS Notes, Receipts and Coupons, if printed, or (iii) the Uncertificated SIS Notes, as the case may be, with respect to the payment of, as the case may be, principal, interest, costs and additional amounts on the Notes and the paying agency fees, in each case to the extent of the funds received.

(j) *Payments on EUI Notes*

The Issuer shall pay or cause to be paid any amount due to an EUI Holder under an EUI Note to such EUI Holder's cash account with the Operator for value on the relevant payment date, such payment to be made in accordance with the rules of the Operator. The Issuer's obligations in relation to such amounts in respect of the EUI Notes will be discharged by payment to, or to the order of, the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular nominal amount of EUI Notes must look solely to the Operator for his share of each such payment so made by the Issuer to, or to the order of, the Operator.

(k) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Compartment Assets and Supplementary Assets*);
- (ii) the **Final Redemption Amount** of the Notes (as specified in the applicable Final Terms);
- (iii) the **Early Redemption Amount** of the Notes (as specified in the applicable Final Terms);
- (iv) the **Optional Redemption Amount(s)** (if any) of the Notes (as specified in the applicable Final Terms);

- (v) in relation to Notes redeemable in instalments, the **Instalment Amounts** (as specified in the applicable Final Terms);
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(f) (*Early Redemption Amounts*)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer or (if applicable) the Guarantor under or in respect of the Notes.

Any reference in these Terms and Conditions to “interest” in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

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

(l) *Currency unavailability*

This Condition 6(l) shall apply when payment is due to be made in respect of any Note, Receipt or Coupon in the Specified Currency and the Specified Currency is not available to the Issuer or the Guarantor (as applicable) due to the imposition of exchange controls, the Specified Currency’s replacement or disuse or other circumstances beyond the control of the Issuer or the Guarantor (as applicable) (**Currency Unavailability**). In the event of Currency Unavailability, the Issuer or the Guarantor (as applicable) will be entitled to satisfy its obligations to the holder of such Note, Receipt or Coupon by making payment in euro or U.S. dollars on the basis of the spot exchange rate at which the Specified Currency is offered in exchange for euro in an appropriate inter-bank market at noon, Paris time, four Business Days prior to the date on which payment is due or, if such spot exchange rate is not available on that date, as of the most recent prior practicable date. Any payment made in euro or U.S. dollars (as applicable) in accordance with this paragraph will not constitute an Event of Default.

This Condition 6(l) shall not apply to Preference Share Linked Notes or Warrant Linked Notes.

(m) *Collateral Disruption Events*

This Condition 6(m) shall apply when payment is due to be made in respect of any Note, Receipt or Coupon and, in the opinion of the Calculation Agent, such payment is not possible either in whole or in part as a result of the occurrence of a Collateral Disruption Event in relation to one or more Compartment Assets (the day on which such payment is due to be made being a **Collateral Disrupted Day**). In such circumstances, the holder thereof shall instead be entitled to payment on the next following Business Day that is not a Collateral Disrupted Day. In the event that any adjustment is made to the date for payment in accordance with this Condition 6(m), the relevant amount due in respect of any Note, Receipt or Coupon shall not be affected by any such adjustment, unless otherwise specified in the applicable Final Terms. Any such postponement of payment in accordance with this Condition 6(m) will be promptly notified to Noteholders in accordance with Condition 19 (*Notices*).

For the purposes of this Condition 6(m):

**Collateral Disruption Event** means, in relation to a Compartment Asset, the occurrence a Market Disruption Event, Potential Adjustment Event, an Extraordinary Event, a Stop Loss Event, a Hedging Disruption, an Increased Cost of Hedging, an Insolvency Filing, a Change in Law and/or a Fund Disruption Event (in each case as defined in the relevant Technical Annex) in relation to such Compartment Asset, as determined in the reasonable opinion of the Calculation Agent.

## 7. REDEMPTION AND PURCHASE

### (a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its final redemption amount specified in, or determined in the manner specified in, the applicable Final Terms (the **Final Redemption Amount**) and, if so specified, by reference to the Technical Annex to these Terms and Conditions (or, in the case only of Physical Delivery Notes where the applicable Final Terms specifies that such Notes will be redeemed by the transfer of the Underlying Asset(s) with respect to a Physical Delivery Amount, by the transfer of the Underlying Asset(s) with respect to a Physical Delivery Amount specified in, or determined in the manner specified in, the applicable Final Terms) in the relevant Specified Currency on the Maturity Date.

### (b) *Final Terms*

The Final Terms applicable to the Notes indicate either:

- (i) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in Conditions 7(m) (*Redemption following a Trigger Event*), 7(n) (*Redemption for taxation reasons*), 7(o) (*Termination of Related Agreement*) and 7(q) (*Redemption or forced transfer of Registered Notes or Permanently Restricted Notes*) below and in Condition 11 (*Events of Default*)); or
- (ii) that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes prior to such Maturity Date in accordance with the provisions of Conditions 7(c) (*Redemption at the Option of the Issuer*) and/or 7(d) (*Optional Outstanding Notes Trigger Call*) below on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

### (c) *Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to redeem the Notes, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not less than 30 nor more than 45 days' notice, in accordance with Condition 19 (*Notices*), to the Noteholders (with a copy to the Trustee) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) each as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms.

In the case of Preference Share Linked Notes and Warrant Linked Notes, if the Issuer is specified in the applicable Final Terms as having an option to redeem the Notes, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not less than 30 nor more than 45 days' notice, in accordance with Condition 19 (*Notices*), to the Noteholders (with a copy to the Trustee) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding on any Optional Redemption Date(s) and at the Early Redemption Amount(s) each as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s).

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot (in the case of Redeemed Notes represented by Notes in definitive form) and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg

and/or DTC in the case of Redeemed Notes represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC either (i) by reducing the nominal amount of all such Notes in a Series in proportion to the aggregate nominal amount redeemed by application of a pool factor or (ii) by redeeming in full some only of such Notes (a reduction in nominal amount as specified in the applicable Final Terms) and in accordance with the rules of the relevant securities depository (in the case of Registered Notes) and/or any additional or alternative clearing system (in each case, as specified in the applicable Final Terms), in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by Notes in definitive form, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 7(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 (*Notices*) at least ten days prior to the Selection Date.

In respect of any Note, any notice given by the Issuer pursuant to this Condition 7(c) shall be void and of no effect in relation to that Note in the event that, prior to the giving of such notice by the Issuer, the holder of such Note had already delivered a Put Notice (as defined in Condition 7(f) (*Redemption at the Option of the Noteholders*) below) in relation to that Note in accordance with Condition 7(f) (*Redemption at the Option of the Noteholders*).

(d) *Optional Outstanding Notes Trigger Call*

If "Trigger Redemption Option" is specified in the applicable Final Terms as being applicable, then, in the event that at any time during the life of the Notes and for any reason whatsoever, the Aggregate Outstanding Nominal Amount of the Notes equals or falls below the Outstanding Amount Trigger Level, then the Issuer shall have the right at its sole and absolute discretion, and subject to any applicable law and regulation, to redeem all (but not some only) of the remaining outstanding Notes early at their Early Trigger Level Redemption Amount upon giving not less than 15 Business Day's notice in accordance with Condition 19 (*Notices*) specifying the basis upon which such early redemption was effected.

For the purpose hereof:

**Aggregate Outstanding Nominal Amount** means, at any time, the product of (a) the Specified Denomination and (b) the number of Notes outstanding held at such time by Noteholders other than Societe Generale or its affiliates for their own account as determined in good faith by the Issuing and Paying Agent in consultation with the clearing institution(s) in or through which the Notes are held and transactions in such Notes are cleared.

**Early Trigger Level Redemption Amount** means the Early Redemption Amount for such Notes as determined in accordance with Condition 7(g)(v) below or, in the case of Preference Share Linked Notes or Warrant Linked Notes, determined in the manner set out in the applicable Final Terms.

**Outstanding Amount Trigger Level** means the level specified as such in the applicable Final Terms or, if no such level is so specified, 10 per cent. of the Aggregate Nominal Amount of the Notes initially issued.

(e) *Optional Call following Collateral Disruption Event*

Following the occurrence of a Collateral Disruption Event in relation to one or more Compartment Assets, the Issuer may give not less than 5 days' notice in accordance with Condition 19 (*Notices*) to the Noteholders (with a copy to the Trustee) of its intention to redeem all or some only of the Notes then outstanding on the relevant Optional Redemption Date and

at the relevant Optional Redemption Amount each as specified in, or determined in the manner specified in, the applicable redemption notice (or, in the case of Preference Share Linked Notes or Warrant Linked Notes, at the Early Redemption Amount determined in the manner set out in the applicable Final Terms), together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s).

(f) *Redemption at the Option of the Noteholders*

If the Noteholders are specified in the applicable Final Terms as having an option to require the Issuer to redeem any Note, upon the holder of any Note giving to the Issuer in accordance with Condition 19 (*Notices*) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to but excluding the Optional Redemption Date. It may be that before an option to require the Issuer to redeem any Note can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of a Note, the Noteholder must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, to the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2 (*Transfers of Registered Notes and Uncertificated Notes*). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to the order or under its control. If the Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note, the Noteholder must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

In the case of Uncertificated Notes, a Put Notice will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the Additional Paying Agent specified in the applicable Final Terms (which, for the purposes of the Uncertificated Notes, will be an account operator specifically authorised by the relevant central securities depository and clearing institution to process and register issues in the system of the relevant central securities depository and clearing institution), and blocked by such Additional Paying Agent to prevent further transfer as of the Optional Redemption Date.

Notwithstanding the foregoing, in the case of Uncertificated Notes, the right to require redemption of such Notes in accordance with this Condition 7(f) must be exercised in

accordance with the rules and procedures of the relevant central securities depository and clearing institution and if there is any inconsistency between the above and the rules and procedures of the relevant central securities depository and clearing institution, then the rules and procedures of the relevant central securities depository and clearing institution shall prevail.

Any Put Notice given by a holder of any Note pursuant to this Condition 7(f) shall be:

- (i) irrevocable except where prior to the due date of redemption an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(f); and
- (ii) void and of no effect in relation to such Note in the event that, prior to the giving of such Put Notice by the relevant holder (A) such Note constituted a Redeemed Note, or (B) the Issuer had notified the Noteholders of its intention to redeem all of the Notes in a Series then outstanding, in each case pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*).

The provisions of this Condition 7(f) shall not apply to Preference Share Linked Notes and Warrant Linked Notes

(g) *Early Redemption Amounts*

For the purposes of Conditions 7(m) (*Redemption following a Trigger Event*), 7(n) (*Redemption for taxation reasons*), 7(o) (*Termination of a Related Agreement*) and 7(q) (*Redemption or forced transfer of Registered Notes or Permanently Restricted Notes*) below and Condition 11 (*Events of Default*), unless otherwise specified in the applicable Final Terms, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Physical Delivery Notes, as determined in the manner specified in the applicable Final Terms; or
- (iv) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of:
  - (A) the Reference Price specified in the applicable Final Terms; and
  - (B) the product of 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 redemption or (as the case may be) the date upon which such Note becomes due and repayable;
- (v) if Market Value is specified in the applicable Final Terms as the Early Redemption Amount, the **Market Value** shall be an amount equal to an amount which represents the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after



the relevant early redemption date, all as determined by the Calculation Agent (in good faith and in a commercially reasonable manner);

- (vi) in the case of Preference Share Linked Notes and Warrant Linked Notes, as determined in a manner specified in the applicable Final Terms.

In all cases from (i) to (vi) above, the payment of the Early Redemption Amount shall be subject to the limited recourse provisions of the Securitisation Act 2004 and the applicable Order of Priority.

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

(h) *Instalments*

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7(g) (*Early Redemption Amounts*) above.

(i) *Partly Paid Notes*

If the Notes are Partly Paid Notes:

- (i) they will be subscribed at the Part Payment Amounts and on the Part Payment Dates specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the obligation to pay a Part Payment Amount on the relevant Part Payment Date is only incurred by the holders of the Notes on such Part Payment Date;
- (ii) unless otherwise specified in the applicable Final Terms, they will be redeemed on the Maturity Date at their nominal amount and on any Optional Redemption Date at their paid-up nominal amount as at the date fixed for redemption; and
- (iii) unless otherwise specified in the applicable Final Terms, in the event that any Noteholder fails to pay a Part Payment Amount on the relevant Part Payment Date (such date a **Part Payment Default Date**), any such Notes held by such Noteholder shall automatically be redeemed on the relevant Early Redemption Date, at the Settlement Amount.

For the purposes of this Condition 7(i) and unless otherwise specified in the applicable Final Terms:

**Early Redemption Date** means, in respect of any Note, the seventh Payment Business Day following a Part Payment Default Date;

**Settlement Amount** means, in respect of any Note, an amount determined by the Calculation Agent in accordance with the following formula:

Max [0; [Paid-up Nominal Amount – Unwinding Costs]]

Where:

**Paid-up Nominal Amount** means, in respect of any Part Payment Date and a Note, the paid-up nominal amount of the relevant Note up to (and including) the applicable Part Payment Date. Interest will neither accrue nor be payable in respect of such Note for the period from and including the applicable Part Payment Default Date to and including the applicable Early Redemption Date;

**Unwinding Costs** means the *pro-rata* share, in respect of each Note, of the losses (expressed as a positive number) or the gains (expressed as a negative number) of unwinding all hedging arrangements (taking into account the present value of any Part Payment Amount(s) remaining to be paid in respect of the Notes) entered into or purchased by the Issuer and/or the Guarantor in respect of the Notes.

(j) *Purchases*

The Issuer or the Guarantor (if applicable) shall have the right at all times to purchase Notes (provided that in the case of Bearer Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased (in the case of Preference Share Linked Notes or Warrant Linked Notes, by the Issuer) therewith) at any price in the open market or otherwise, in accordance with applicable laws and regulations. If required by any applicable law or regulation, Notes purchased by or on behalf of the Issuer or the Guarantor (if applicable) will be surrendered for cancellation (within one business day of such purchase, where, for this purpose only, **business day** shall mean a day on which commercial banks are generally open for business in Luxembourg), in the case of Bearer Notes, by surrendering any such Note, together with, in the case of Bearer Definitive Notes, any unmatured Receipts and Coupons appertaining thereto, to a Paying Agent and, in the case of Registered Notes, by surrendering the certificate representing such Notes to the Registrar.

(k) *Cancellation*

All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled (together with, in the case of Bearer Definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto or surrendered therewith), whereupon, in the case of Notes which are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, the Issuer will forthwith inform the Luxembourg Stock Exchange of such cancellation or any cancellation pursuant to Condition 7(j) (*Purchases*) above. All Notes cancelled (together with, in the case of Bearer Definitive Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent or, in the case of Registered Notes, the Registrar, and cannot be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(l) *Late Payment on Zero Coupon Notes*

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, except for Registered Notes, pursuant to Condition 7(c) (*Redemption at the Option of the Issuer*) or 7(d) (*Optional Outstanding Notes Trigger Call*) above or Conditions 7(l) (*Redemption following a Trigger Event*), 7(m) (*Redemption for taxation reasons*), 7(n) (*Termination of a Related Agreement*) or 7(p) (*Redemption or forced transfer of Registered Notes or Permanently Restricted Notes*) below or upon its becoming due and repayable as provided in Condition 11 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7(g)(iv) above as though the references therein to the date fixed for the redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent or the

Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices*).

(m) *Redemption following a Trigger Event*

If this Condition 7(m) applies to the Notes (as specified in the applicable Final Terms), in the event that the Compartment Assets Manager notifies the Issuer and the Guarantor, if applicable, in writing (with a copy to the Trustee) that it has determined that one or more of the following events has occurred (save in respect of a Related Agreement if Condition 7(m) (*Termination of a Related Agreement*) would apply in the relevant circumstances) (each, a **Trigger Event**):

- (i) the issuer or primary obligor in respect of any of the Compartments Assets (a **Compartment Asset Issuer**) or any guarantor of a Compartment Asset Issuer's obligations in respect of any Compartment Asset (the **Compartment Asset Guarantor**) fails to make any payment under the relevant Compartment Asset or under the guarantee of the Compartment Asset Issuer's obligations in respect of such Compartment Asset (the **Compartment Asset Guarantee**) as the case may be, when and where due and/or for the amount due as set forth in the documentation relating to the relevant Compartment Asset and/or the Compartment Asset Guarantee prevailing as of the dates on which the relevant Compartment Asset has been acquired by the relevant Compartment, after the expiration of a grace period equal to the lesser of the (x) grace period applicable under the terms of the Compartment Asset or the Compartment Asset Guarantee (as the case may be) and (y) ten Luxembourg Business Days (as defined in Condition 5(b)(v) (*Notification of Rate of Interest and Interest Amount*)), and for the avoidance of doubt including as a result of a Restructuring or a Repudiation/Moratorium;
- (ii) any amount in respect of any of the Compartment Assets or a Compartment Asset Guarantee has become due and payable before it would otherwise have been due and payable as set forth in the documentation relating to the relevant Compartment Asset and/or the Compartment Asset Guarantee prevailing as of the dates on which the relevant Compartment Asset has been acquired by the relevant Compartment, or such Compartment Asset or Compartment Asset Guarantee is redeemed or otherwise terminated prior to its scheduled redemption or termination date as set forth in the documentation relating to the relevant Compartment Asset and/or the Compartment Asset Guarantee prevailing as of the dates on which the relevant Compartment Asset has been acquired by the relevant Compartment, for any reason, including (but without limitation) 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 by the Compartments Assets Issuer or the Compartment Asset Guarantor, to make any required payment under such Compartment Asset or Compartment Asset Guarantee), the exercise of the relevant Compartment Asset Issuer's right of early redemption, or due to the adoption, after the issue date of any Compartment Asset or Compartment Asset Guarantee, of any change in any applicable law or regulation (including, without limitation, any tax law) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction), the Compartment Asset Issuer or the Compartment Asset Guarantor would become or becomes obliged to pay any additional amount for or on account of any tax, levy, impost, duty, charge assessment, fee, cost or reserve requirement of any nature imposed by any government authority (including taxing authority) in respect of such Compartment Asset or Compartment Asset Guarantee;

- (iii) on or after the Issue Date of any Notes, (A) due to the adoption of any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction), either (i) any amount is required to be deducted or withheld for or on account of any tax, levy, impost, duty, charge assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment to be received by the Issuer under one or more Compartment Assets or (ii) the Issuer becomes obliged to pay any amount for or on account of any tax, levy, impost, duty, charge assessment or fee of any nature imposed by any government or other taxing authority in respect of any payment received by the Issuer under one or more Compartment Asset; or
- (iv) the postponement in accordance with Condition 6(m) of any payment due to be made in respect of any Note, Receipt or Coupon due to the occurrence of an Extraordinary Collateral Event where such postponement has continued for a period of 20 Business Days,

the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (which notice shall be irrevocable) to the Trustee and the Noteholders pursuant to Condition 19 (*Notices*) prior to the specified date of redemption that it intends to redeem the Notes in accordance with this Condition 7(m), and upon the expiry of such notice, the Issuer shall redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date of redemption specified in the relevant notice.

For the purposes of this Condition 7(m):

**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 Compartment Asset Issuer or Compartment Asset Guarantor (as the case may be) or of the jurisdiction of organisation of a Compartment Asset Issuer or the Compartment Asset Guarantor (as the case may be).

**Permitted Currency** means (A) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (B) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Repudiation/Moratorium** means the occurrence of both of the following events: an authorised officer of a Compartment Asset Issuer or a Compartment Asset Guarantor, or any Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of its obligations under the Compartment Asset or the Compartment Asset Guarantee or (b) declares or imposes a moratorium, standstill, roll over or deferral, whether de facto or de jure, with respect to its obligations under the Compartment Asset or the Compartment Asset Guarantee.

**Restructuring** means:

- (a) with respect to any Compartment Asset or Compartment Asset Guarantee, any one or more of the following events occurs in a form that binds all holders of the relevant

Compartment Asset, is agreed between the Compartment Asset Issuer or the Compartment Asset Guarantor or a Governmental Authority and a sufficient number of holders of such Compartment Asset to bind all holders of the Compartment Asset or is announced (or otherwise decreed) by the Compartment Asset Issuer or the Compartment Asset Guarantor or a Governmental Authority in a form that binds all holders of such Compartment Asset, and such event is not expressly provided for under the terms of such Compartment Asset or Compartment Asset Guarantee in effect as of the later of the issue date of the relevant Notes and the date as of which such Compartment Asset or Compartment Asset Guarantee is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Compartment Asset or Compartment Asset Guarantee, causing the subordination of such Compartment Asset or Compartment Asset Guarantee to obligations of the Compartment Asset Issuer or the Compartment Asset Guarantor that had the same rank prior to the occurrence of the event; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following will constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to any Compartment Asset denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Compartment Asset Issuer or the Compartment Asset Guarantor.

(n) *Redemption for taxation reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of the Notes other than Variable Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or any other Variable Rate Notes), on giving not less than 30 nor more than 45 days' notice to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 19 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer or, as the case may be, the Guarantor satisfies the Trustee immediately before the giving of such notice that:

- (i) immediately prior to the giving of such notice (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer or in making payment under the Guarantee itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(n), the Issuer or, as the case may be, the Guarantor shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by two directors of the Issuer (each a **Director**) or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer or, as the case may be, the Guarantor to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(n) will be redeemed at their Early Redemption Amount referred to in Condition 7(g) (*Early Redemption Amounts*) above together (if appropriate) with accrued interest to but excluding the date of redemption.

(o) *Termination of a Related Agreement*

If this Condition 7(o) applies to the Notes (as specified in the applicable Final Terms), in the event that the Compartment Assets Manager notifies the Issuer and the Guarantor (if applicable) in writing (with a copy to the Trustee) of the termination prior to its scheduled termination date of any Related Agreement, the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (which notice shall be irrevocable) prior to the specified date of redemption that it intends to redeem the Notes in accordance with this Condition 7(o) to the Trustee and the Noteholders in accordance with Condition 19 (*Notices*), and upon the expiry of such notice, the Issuer or, as the case may be, the Guarantor shall redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date of redemption specified in the relevant notice.

For the purposes of the Notes, **Related Agreement** shall mean any agreement named as such in the applicable Final Terms.

(p) *Redemption of Uncertificated Notes*

Notwithstanding the foregoing provisions of this Condition, the redemption of Uncertificated Notes may be subject to certain special restrictions and procedures, as set out in the applicable Final Terms.

(q) *Redemption or forced transfer of Registered Notes or Permanently Restricted Notes*

If the Issuer determines at any time that (i) a holder of Registered Notes (other than Permanently Restricted Notes) in the United States or that is a U.S. Person was not a QIB and a QP at the time it purchased or acquired such Notes or (ii) a holder of Permanently Restricted Notes is a U.S. Person or purchased such Permanently Restricted Notes inside the United States, in breach of the deemed or actual representations given by such holder upon the purchase of such Notes, the Issuer may (a) redeem such Notes at the Early Redemption Amount, or (b) direct such holder to sell or transfer its Notes, in the case of Registered Notes, to a person that is both a QIB and a QP or, in the case of Registered Notes and Permanently Restricted Notes, to a non-U.S. Person outside the United States within 30 days following receipt of such notice, and if such holder fails to sell or transfer its Notes within such 30 day period, the Issuer may transfer or sell such Notes on behalf of such holder.

No payments will be made on the affected Notes from the date notice of the sale requirement is sent to the date on which the affected Notes are sold.

There can be no assurance that a holder of Notes, or an interest therein, who is required to sell Notes, or whose Notes are sold on his behalf (pursuant to this Condition) will not incur a significant loss as a result of the need for the Issuer, or for the transferor, to find a qualifying transferee willing to purchase the Notes. Neither the Issuer, the Guarantor, the Trustee nor any other party shall be liable to a holder for any such loss.

## 8. COMPARTMENT ASSETS AND SUPPLEMENTARY ASSETS

(a) *Compartment Assets*

(i) In respect of any Series of Notes, **Compartment** shall mean the Compartment created by the board of directors of the Issuer pursuant to article 62 of the Securitisation Act 2004 under which the Notes are to be issued. Each Compartment will comprise a pool of assets and liabilities separate from the pools of assets and liabilities relating to any other Compartments. In respect of any Series of Notes, and any Related Notes, Charged Assets (as defined in Condition 8(d) (*Security*) below) shall include, *inter alia*, the Compartment Assets described in the applicable Final Terms, provided that less than 50 per cent. of the combined total assets comprising such Compartment Assets and any Supplementary Assets (if any) shall be in the form of debt issued or backed by the United States of America.

(ii) Unless otherwise specified in the applicable Final Terms, the Issuer shall be obliged to procure that any assets, liabilities and agreements (including, without limitation, the Related Agreements) forming part of the Compartment Assets are delivered to it (or to a person acting on its behalf, including, without limitation, the Custodian) or, as the case may be, entered into by it, in each case, prior to the time at which the Notes are to be issued (the **Acquisition Deadline**). Without prejudice to Condition 10 (*Prescription*), if any such delivery or entry into occurs after the Acquisition Deadline, the relevant assets, liabilities or agreements shall nonetheless form part of the Compartment Assets from the date of their delivery or entry into, as the case may be, provided that if prior to any such delivery the Issuer has an enforceable right to

procure delivery of the relevant assets, such right will form part of the Compartment Assets and be subject to the Security created by or pursuant to the Trust Deed and the provisions of the Securitisation Act 2004.

- (iii) In order to meet any part of its obligations under the Notes or any Related Notes in respect of (A) any redemption thereof (any such Notes or Related Notes, the **Redeeming Notes**), (B) any Related Agreements or “Related Agreements” (as defined under the terms and conditions of any such Related Notes), (C) any agreements for the purchase of the Notes or any Related Notes (including, without limitation, the purchase of any Notes by the Issuer pursuant to the terms of the Repurchase Agreement) or (D) any other payments (if any) due from the Issuer under these Conditions and/or the Trust Deed in relation to the Notes or any Related Notes, and as more fully described in the relevant Trust Deed(s), the Issuer may, at any time but only to the extent that such liquidation does not cause a breach of the Liabilities to Assets Ratio Lower Limit or the Liabilities to Assets Ratio Upper Limit, as specified, in each case, in the applicable Final Terms and in each case disregarding the value of any Waived Notes, procure the liquidation of some or all of the Compartment Assets (such assets to be liquidated, the **Funding Assets**).
  - (iv) In accordance with the Securitisation Act 2004, the Charged Assets are available exclusively to satisfy the rights of the Secured Parties (as defined in Condition 8(f) (*Application of Proceeds*)).
- (b) *Supplementary Assets*
- (i) If the Notes are issued under a Category B Compartment (any such Series of Notes, **Category B Notes**), to the extent that the Category X Compartment contains any assets (including, without limitation, any cash standing to the credit of the Category X Account, as defined below) (any such assets, the **Supplementary Assets**), such Supplementary Assets shall (A) have the characteristics described in the applicable Final Terms, provided that less than 50 per cent. of the combined total assets comprising the Compartment Assets and such Supplementary Assets, shall be in the form of debt issued or backed by the United States of America, (B) constitute a pool of assets separate from the Charged Assets relating to the Notes and any other notes issued by the Issuer and (C) be held by the Custodian, on behalf of the Issuer, subject to the provisions of the Securitisation Act 2004.
  - (ii) If, in respect of any Series of Category B Notes, the net proceeds of the enforcement or liquidation of the relevant Charged Assets are not sufficient to satisfy all outstanding claims in respect of such Series of Category B Notes, the relevant holders of such Series of Category B Notes shall be entitled to share equally and rateably among themselves (subject to Condition 8(b)(vi) below) in the Available Supplementary Assets (as defined below) (if any) to the extent of any such shortfall (a **Charged Assets Shortfall**).
  - (iii) In the event of a Charged Assets Shortfall, the Trustee or any receiver shall promptly notify the Custodian and the Issuer of the amount of such Charged Assets Shortfall (such notice, a **Charged Assets Shortfall Notice**), whereupon the Issuer (or the Custodian on its behalf) shall (A) promptly provide details to the Trustee (and any Appointee (as defined in the Trust Deed)) of any Supplementary Assets available at such time (such Supplementary Assets, the **Available Supplementary Assets**) and (B) transfer such Available Supplementary Assets to the Trustee (or any Appointee) to the extent of the Charged Assets Shortfall in such manner as requested by the Trustee or such Appointee. The Trustee or any such Appointee shall thereafter use reasonable endeavours to realise such Available Supplementary Assets in accordance with Condition 12 (*Enforcement and Realisation*) and thereafter apply the



proceeds of realisation thereof in the manner contemplated by Condition 8(b)(ii) above.

- (iv) The Issuer has appointed Societe Generale (the **Supplementary Assets Manager**) to manage the Supplementary Assets (if any) pursuant to an agreement entered into between, *inter alios*, the Issuer and the Supplementary Assets Manager (the **Collateral Management Agreement**) under which such Supplementary Assets Manager has the right to select and modify the composition of the Supplementary Assets from time to time without notifying the Secured Parties or the Trustee on their behalf. None of the Issuer, the Guarantor, the Trustee or the Supplementary Assets Manager shall be (A) obliged to ensure that there are, at any time, Supplementary Assets in the Category X Compartment or (B) liable to any person for the performance, quality, creditworthiness or value (as appropriate) of any Supplementary Assets held by, or on behalf of, the Issuer, from time to time. In the event that another collateral manager is to be appointed with respect to the Supplementary Assets, appropriate information regarding such collateral manager will be given in the applicable Final Terms.
  - (v) If the Notes are Category B Notes and a Note Acceleration occurs, neither the Issuer nor the Supplementary Assets Manager, nor any person acting on behalf of the Issuer, the Guarantor or the Supplementary Assets Manager, shall be entitled to remove any Supplementary Assets contained in the Category X Compartment from the time of such Note Acceleration until such time as all the claims of the Noteholders have been satisfied or extinguished (as applicable) pursuant to Condition 8(i) (*Residual Shortfall*), as notified in writing to the Issuer, the Guarantor (if applicable) and the Custodian by the Trustee or any Appointee.
  - (vi) If, at any time, Charged Assets Shortfalls have occurred and are continuing in connection with (A) a Series of Category B Notes and any Related Notes (together, **Principal Notes**) and (B) one or more Series of Notes issued by the Issuer under another Category B Compartment (each Series thereof, **Other Notes**), the Available Supplementary Assets at that time will be applied separately in respect of the Principal Notes and each such other Series of Other Notes in the order in which the relevant Charged Assets Shortfalls arose, provided that if (x) Charged Assets Shortfalls occur on the same day under the Principal Notes and one or more Series of Other Notes or (y) Charged Assets Shortfalls occur on the same day under a Series of Category B Notes and one or more Series of Related Notes, then, in each case, the relevant Charged Assets Shortfalls shall be aggregated and treated as a single Charged Assets Shortfall for the purposes of the application of the Available Supplementary Assets in accordance with Condition 8(b)(ii) above. For the purposes of this Condition, a Charged Assets Shortfall shall be deemed to “occur” upon the giving of the relevant Charged Assets Shortfall Notice by the Trustee.
  - (vii) For the avoidance of doubt, the holders of any Series of Notes issued under a Category A Compartment, as specified in the applicable Final Terms, will not have recourse to the Supplementary Assets (if any).
- (c) *Custodian; Deposit Account*
- (i) Unless otherwise specified in the applicable Final Terms, the Deposit Account (as defined below), together with such Compartment Assets and, if applicable, Supplementary Assets (if any), as are capable of being so held, will be held by the Custodian on behalf of the Issuer on and subject to (A) the terms and conditions of an agreement dated 20 June 2012 entered into between, *inter alios*, the Issuer and the Custodian (the **Custody Agreement**), (B) the Securitisation Act 2004 and (C) in the cases of the Compartment Assets and the Deposit Account, the terms and conditions

of the Security created pursuant to the Trust Deed and/ or any French Pledge and/or any Additional Security Document. Unless otherwise specified in the applicable Final Terms, the Issuer reserves the right to replace the Custodian at any time, but only with the prior written consent of the Trustee and in accordance with (x) the provisions of the Securitisation Act 2004 and (y) the relevant CSSF instructions and/or guidelines. Notice of such change shall be given to the Noteholders in accordance with Condition 19 (*Notices*). If it is specified in the applicable Final Terms that there is a Sub-Custodian in relation to the Compartment Assets and/or the Supplementary Assets (if any), such Sub-Custodian (which expression shall include any additional or successor sub-custodians from time to time appointed) shall hold such Compartment Assets and, if applicable, Supplementary Assets (if any), as are capable of being so held on behalf of the Custodian, on and subject to the terms of an agreement between the Sub-Custodian and the Custodian. References herein to the **Custodian** shall, as the context requires, be construed as references to the Custodian, the Sub-Custodian and/or any additional or successor custodians appointed from time to time.

- (ii) Unless otherwise specified in the applicable Final Terms, in respect of any Compartment (other than the Category X Compartment), the Custodian (on behalf of the Issuer) shall establish and maintain an interest bearing account in the name of the Issuer (the **Deposit Account**) with a bank or other financial institution (which shall be the Custodian unless otherwise specified in the applicable Final Terms) on terms that the funds standing to the credit of such Deposit Account shall earn the rate or rates of interest (which may be, without limitation, a floating rate or rates) specified in the applicable Final Terms or, if no rate is so specified, such rate or rates as may be determined from time to time by the bank or other financial institution with which the Deposit Account is opened. The Deposit Account for the Compartment shall be entirely separate from any other accounts of the Issuer and the Custodian, including, without limitation, the deposit accounts established in connection with any other Compartment(s). Unless otherwise specified in the applicable Final Terms, all monies received by or on behalf of the Issuer in connection with the Notes, any Related Notes or the Charged Assets shall be deposited in the Deposit Account. Such monies shall only be removed from the Deposit Account at such times and in such amounts as are contemplated in these Terms and Conditions and the Trust Deed or in order for the Issuer (or any appointee on its behalf) and the Trustee (or any receiver) to fulfil their respective obligations under the Notes, the Related Notes and pursuant to the Trust Deed.
- (iii) With respect to such Category B Notes as are outstanding at any time, the Custodian shall, unless otherwise specified in the applicable Final Terms, establish and maintain an interest bearing account in the name of the Issuer (the **Category X Account**) with a bank or other financial institution (which shall be the Custodian unless otherwise specified in the applicable Final Terms) on terms that the funds standing to the credit of such Category X Account shall earn such rate or rates of interest (which may be, without limitation, a floating rate or rates) as may be determined from time to time by the bank or other financial institution with which the Deposit Account is opened. The Category X Account shall be entirely separate from any other accounts of the Issuer and the Custodian, including, without limitation, the Deposit Account and each deposit account established in connection with the Notes of any other Series issued by the Issuer. Unless otherwise specified in the applicable Final Terms, all monies received by or on behalf of the Issuer in connection with the Supplementary Assets and the Category X Compartment shall be deposited in the Category X Account. Such monies may be removed from the Category X Account at such times and in such amounts (subject to Condition 8(b) (*Supplementary Assets*)) as the Issuer (or any appointee on its behalf) may consider necessary in its sole and absolute discretion and without notice to any party (including, without limitation, the Noteholders).

- (d) **Security**
- (i) If it is stated in the applicable Final Terms that the security for the Notes is “Charged Assets charged to Trustee; French law security”, the Issuer has, without prejudice to the security specified in Condition(s) 8(d)(ii) and/or 8(d)(iii) below, executed in favour of the Trustee acting as security agent for the relevant Noteholders a Statement of Pledge over a Financial Instruments Account whereby the Issuer shall grant a pledge (*Nantissement de comptes-titres*) over the Pledged Account (as defined therein) in accordance with article L.211-20 of the French *Code monétaire et financier* or such other security, agreement or document as specified in the applicable Final Terms (each a **French Pledge**). Unless otherwise specified in the applicable Final Terms, the Noteholders appoint in accordance with article 2328-1 of the French *Code civil*, the Trustee to receive and act on their behalf for the purposes of the applicable French Pledge (in such capacity the **Security Agent of the French Pledge**).
- (ii) If it is stated in the applicable Final Terms that the security for the Notes is “Charged Assets charged to Trustee; English law security”, the Issuer has, without prejudice to the security specified in Conditions(s) 8(d)(i) and/or 8(d)(iii), in favour of the Trustee in each case, and as specified in the Trust Deed relating to the Notes and any Related Notes, assigned (with a proviso for reassignment on redemption) or created a fixed charge, and/or other security interest, over or in respect of:
- (A) the present and future Compartment Assets relating to the relevant Compartment and all of the Issuer’s rights, title, interest and benefit, present and future, in respect of sums derived from the present and future Compartment Assets relating to the relevant Compartment (including, without limitation, any proceeds of the sale thereof);
- (B) (x) the Issuer’s rights, title, interest and benefit, present and future, in, to and under all sums held by the Agents and the Custodian to meet payments due in respect of the Notes relating to the relevant Compartment; (y) any sums of money, securities or other property received or receivable by the Issuer under any Related Agreement relating to the relevant Compartment; and (z) all of the Issuer’s rights, title, interest and benefit, present and future, as against the Custodian in respect of any sum standing to the credit of the Deposit Account (as defined in Condition 8(c) (*Custodian; Deposit Account*) relating to the relevant Compartment);
- (C) all of the Issuer’s rights, title, interest and benefit, present and future, in, to and under the Transaction Documents relating to the relevant Compartment and all sums derived therefrom in respect of the Notes relating to the relevant Compartment; and
- (D) the Issuer’s rights, title, interest and benefit, present and future, in, to and under any agreement for the sale, transfer and/or delivery of assets relating to the relevant Compartment (as contemplated under Condition 8(a) (*Compartment Assets*)) and any sums received or receivable by the Issuer thereunder and (y) any sums received or receivable by the Issuer under any such agreement.
- (iii) If it is stated in the applicable Final Terms that the security for the Notes is “Charged Assets charged to Trustee; additional foreign law security”, the Issuer has in the Trust Deed created the security specified in Conditions 8(d)(i) and/or 8(d)(ii) above and has, in addition and without prejudice to the security specified as aforesaid, executed in favour of the Trustee the pledge or security or other agreement or document specified in the applicable Final Terms (each an **Additional Security Document**).

- (iv) The assets described in Conditions 8(d)(i), 8(d)(ii) and/or 8(d)(iii) (as the case may be) shall be referred to herein as the **Charged Assets**.

(e) *General provisions relating to security*

Unless otherwise specified in the applicable Final Terms, the Security constituted or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document will be granted to the Trustee for itself and for the other Secured Parties (as defined in Condition 8(f) (*Application of Proceeds*, below) as continuing security for (a) the payment of all sums due to the Trustee or any Appointee under the Trust Deed and/ or any French Pledge and/or any Additional Security Document or due under the Notes, Coupons or Receipts and any Related Notes (and relative coupons or receipts), (b) the performance of the Issuer's obligations under any Related Agreement and (c) the payment of all sums payable to the Agents pursuant to any provision of the Agency Agreement (including the provisions which require the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Issuing and Paying Agent or the Registrar for any amount paid out by the Issuing and Paying Agent or the Registrar, as the case may be, to the holders of Notes, Coupons or Receipts before receipt of the corresponding amount due from the Issuer).

The Trustee shall not be responsible for, nor shall it have any liability with respect to, any loss, diminution in value or theft of all or any part of the Charged Assets or the Supplementary Assets (including, without limitation, any documents constituting, comprising, evidencing, representing and/or transferring any rights, benefits, and/or obligations thereunder) and shall not be obliged to monitor the value of any Charged Assets or the Supplementary Assets or to insure or to procure the insurance or to monitor the adequacy of any insurance arrangements in respect of all or any part of the Charged Assets or the Supplementary Assets (including any such documents) and shall have no responsibility or liability arising from the fact that all or any part of the Charged Assets or the Supplementary Assets (including any such documents) is registered in its name or held by it or on its behalf or in an account with Clearstream, Luxembourg, Euroclear, DTC or any other clearing system in accordance with that system's rules or is otherwise held in safe custody by the Custodian, any bank or other custodian whether or not selected by the Trustee.

The Trust Deed provides that the Trustee shall not be bound or concerned to make any investigation into, or be responsible for:

- (i) the performance, quality, creditworthiness or value (as appropriate) of the Charged Assets, the Supplementary Assets (if any) or any obligor or guarantor in respect of the Charged Assets or the Supplementary Assets (if any) or of the Guarantor, any Compartment Party or other person which is a party to any other agreement or document constituting or evidencing any of the Charged Assets or the Supplementary Assets (if any); or
- (ii) the validity or enforceability of the obligations of any such person as is referred to in Condition 8(e)(i) above or of the security constituted by or pursuant to the Trust Deed; or
- (iii) whether the cashflows relating to the Charged Assets, the Supplementary Assets (if any), the Related Agreement(s) (if any) and any other hedging or funding instrument howsoever described and the Notes are matched.

None of the Issuer, the Guarantor or the Trustee will have any responsibility for the performance by any clearing system (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations. The Trustee will not have any responsibility for the performance by the Custodian of its obligations under

the Custody Agreement or for the performance by any Sub-Custodian of its obligations under the relevant sub-custody agreement.

(f) *Application of Proceeds*

- (i) The Trustee shall (subject to the provisions of the Trust Deed) apply all moneys received by it under the provisions of the Trust Deed, any French Pledge and any Additional Security Document in connection with the realisation or enforcement as described in Condition 12 (*Enforcement and Realisation*) of the Security constituted by or pursuant to the Trust Deed, any French Pledge and any Additional Security Document in accordance with the Order of Priority specified in the applicable Final Terms.
- (ii) By subscribing to or otherwise acquiring the Notes, each Noteholder expressly consents to the provisions of this Condition 8(f), the Order of Priority specified in the applicable Final Terms and the limitation of its rights in accordance with article 64 of the Securitisation Act 2004 and is deemed to have accepted and agreed to such provisions and the consequences thereof.
- (iii) If no Order of Priority is specified in the applicable Final Terms, the Order of Priority for the purposes of the Notes shall be the Standard Order of Priority, which expression shall be defined as follows:

**Standard Order of Priority** means that the Trustee shall apply moneys received by it as specified in Condition 8(f)(i) above:

- (A) first, in payment or satisfaction of all Liabilities incurred by or payable to the Trustee, any Appointee, any French Pledge and any Additional Security Document (which for the purpose of this Condition 8(f) and the Trust Deed shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
  - (B) secondly, in payment of any amounts due to be reimbursed to the Custodian by the Issuer;
  - (C) thirdly, in payment of any amounts owed to any Compartment Party;
  - (D) fourthly, *pro rata* in payment of any amounts owed to the holders of the Notes (other than any Waived Notes) (and, in the case of Bearer Definitive Notes, the holders of Coupons and Receipts pertaining to the Notes) and the holders of any Related Notes (other than any Waived Notes) (and, in the case of Related Notes in definitive form, the holders of coupons and receipts pertaining to the Related Notes) and (which for the purpose of this Condition 8(f) and the Trust Deed shall include any amounts due to be reimbursed to the Agents in respect of any payments of principal and/or interest made to any holders of the aforesaid);
  - (E) fifthly, *pro rata* in payment of any amounts owed to the creditors (if any) whose claims have arisen as a result of the creation, operation or liquidation of the Compartment (save to the extent that the claims of any such creditor fall within the scope of Condition 8(f)(i), 8(f)(ii) or 8(f)(iii)); and
  - (F) sixthly, in payment of the balance (if any) to the Issuer.
- (iv) For the purposes of these Conditions:

**Liability** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect

of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis (and "Liabilities" shall be construed accordingly);

**Secured Parties** means, unless otherwise specified in the applicable Final Terms, the parties referred to in sub-paragraphs (A)-(E) (inclusive) of the definition of "Standard Order of Priority" (each, a **Secured Party**); and

**Waived Notes** means, in relation to any Series of Notes where "Waiver of Rights Agreement" is specified as applicable in the applicable Final Terms, any Notes in relation to which the Holder thereof has provided written confirmation and evidence to the Issuer and the Trustee that it has waived its right to claim the portion of the enforcement or liquidation proceeds of the Compartment Assets or Supplemental Compartment Assets (if applicable) corresponding to the Notes held by it (the **Waived Claim**). For the purpose of this definition, the Waived Claim shall be determined by the Trustee as the amount that would be received by a Noteholder from the enforcement or liquidation proceeds of the Compartment Assets or Supplemental Compartment Assets (if applicable), on the assumption that on the date on which the Trustee applies the moneys received by it under the provisions of the Trust Deed, any French Pledge and any Additional Security Document (i) there are no Waived Notes and (ii) the value of Compartment Assets is such that the Liabilities to Assets Ratio Lower Limit (disregarding, for purposes of this test, the value of any Waived Notes) is exactly satisfied.

(g) *Replacement of Compartment Assets*

(i) If it is specified in the applicable Final Terms that this Condition 8(g) applies to the Notes, the Compartment Assets Manager, being satisfied that the proposed replacement fulfils the Replacement Test (as defined below) may, subject to and in accordance with this Condition 8(g)(i), article 14 of the Issuer's Articles of Incorporation, articles 61 *et seq* of the Securitisation Act 2004, the Collateral Management Agreement, the Trust Deed, the French Pledge and/or any Additional Security Document, by notice in writing (a **Replacement Notice**) to the Custodian (with a copy to each of the Issuer, the Trustee, the Calculation Agent and the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes)), in, or substantially in, the form to be scheduled to the Collateral Management Agreement, determine that any assets (including, without limitation, any agreements) for the time being comprising all or part of the Compartment Assets (any such asset, a **Replaced Asset**) be replaced by one or more Replacement Assets (as defined below), provided however that:

(A) upon any release of the Replaced Assets from the Security, any such Replacement Assets are subject to the Security, in each case, created by or pursuant to the Trust Deed, any French Pledge and any Additional Security Document; and

(B) such other conditions as may be specified in the applicable Final Terms are satisfied.

In respect of any proposed replacement, the **Replacement Test** will be fulfilled, if such replacement (i) would not cause a breach of the Liabilities to Assets Ratio Lower Limit or the Liabilities to Assets Ratio Upper Limit, as specified, in each case, in the applicable Final Terms and in each case disregarding the value of any Waived Notes, (ii) would comply with the Investment Criteria and the other conditions specified in the applicable Final Terms and (iii) would result in less than 50 per cent. of combined total assets comprising the Compartment Assets and any Supplementary Assets (if any)

(after such replacement) being in the form of debt issued or backed by the United States of America. Upon receipt by the Custodian of any Replacement Notice duly prepared in accordance with the foregoing, the relevant Security shall be released and the replacement(s) described in the relevant Replacement Notice will be effected by the Custodian.

The Issuer has appointed Societe Generale as a collateral manager (the **Compartment Assets Manager**) pursuant to the Collateral Management Agreement to be entered into as described in Condition 8(b) (*Supplementary Assets*) above, under which such Compartment Assets Manager will have the right to select and modify the composition of the Compartment Assets from time to time in pursuit of the Investment Policy and in accordance with the Investment Criteria, in each case, as specified in the applicable Final Terms and in accordance with this Condition 8(g).

As used in this Condition 8(g):

**Business Day** shall have the meaning ascribed to that term in Condition 6(a) (*Pre-enforcement priority of payments*); and

**Replacement Asset** means any asset which, as of the date of the relevant Replacement Notice, satisfies the Investment Criteria specified in the applicable Final Terms (which asset (i) may (but is not required to) be an asset of a different type from the Replaced Asset and (ii) may include, without limitation, a new or, to the extent that the existing Compartment Assets comprise one or more agreements, an amended, agreement).

Except where the context otherwise requires, references in these Conditions to the **Compartment Assets** include any Replacement Assets delivered, transferred or assigned to the Issuer in accordance with this Condition 8(g).

The Trustee shall not be liable to the Issuer, the Noteholders or any other person for any loss arising from any arrangement referred to in the Replacement Notice or otherwise from the operation of this Condition 8(g)(i). Neither the Issuer, the Guarantor nor the Compartment Assets Manager shall be liable to any other person for any loss arising from any arrangement referred to in any Replacement Notice or otherwise from the operation of this Condition 8(g)(i) (except, in the case of the Compartment Assets Manager, to the extent that any of its acts or omissions constitute a wilful, grossly negligent or fraudulent breach of its obligations under the Collateral Management Agreement). By acquiring any Note, each Noteholder agrees to be bound by these provisions.

- (ii) Unless otherwise provided in the applicable Final Terms, if assets which comprise all or part of the Compartment Assets have a maturity date or other termination date howsoever described which falls prior to the tenth Business Day immediately preceding the Maturity Date of the Notes (any such assets, **Maturing Compartment Assets**), any proceeds of such redemption or termination as aforesaid (such proceeds, the **Termination Proceeds**) shall be applied by the Compartment Assets Manager on behalf of the Issuer, subject to articles 61 *et seq* of the Securitisation Act 2004, as follows:
- (A) in the purchase, or, as the case may be, entry into of, one or more Replacement Assets in accordance with Condition 8(g)(i), *mutatis mutandis*, whether or not Condition 8(g)(i) is specified in the applicable Final Terms as applicable with respect to the Notes; and/or
  - (B) by crediting part or all of such Termination Proceeds to the Deposit Account, provided that (x) at any time following such investment in a Deposit Account,

the Custodian may, if so directed by the Issuer, apply the funds standing to the credit of the Deposit Account in the purchase of Replacement Assets in accordance with Condition 8(g)(i), *mutatis mutandis*, whether or not Condition 8(g)(i) is specified in the applicable Final Terms as applicable with respect to the Notes and (y) none of the Custodian, the Compartment Assets Manager, the Issuer or (if applicable) the Guarantor shall be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise,

subject, in each case, to the Custodian's duty to ensure, on behalf of the Issuer, that such Compartment Assets (or the proceeds of the realisation or redemption thereof) as are required for the purpose are made available for the satisfaction of the Issuer's obligations under the Notes.

- (iii) All rights of replacement under this Condition 8(g) shall cease upon the occurrence of a Note Acceleration (as defined in Condition 11(a)) or in the event that the Compartment Assets Manager notifies the Issuer in writing (with a copy to the Trustee) that it has determined that one or more Trigger Events has occurred for the purposes of Condition 7(m) (*Redemption following a Trigger Event*).

(h) *Addition or Removal of Compartment Assets*

- (i) The Compartment Assets Manager may, in its discretion and without notice to any other party, subject to satisfaction of the Collateral Test (as defined below) and in accordance with this Condition 8(h), article 14 of the Issuer's Articles of Incorporation, articles 61 *et seq* of the Securitisation Act 2004, the Collateral Management Agreement, the Trust Deed, the French Pledge and/or any Additional Security Document, determine that any assets (including, without limitation, any agreements) for the time being comprising all or part of the Compartment Assets be removed from a Compartment (any such asset, a **Removed Asset**) or any assets (including, without limitation, any agreements) be added to a Compartment (any such asset, an **Additional Asset**).

In respect of any proposed addition or removal of Compartment Assets, the **Collateral Test** will be fulfilled if such addition or removal:

- (a) (A) is required in order to prevent or cure a breach of the Liabilities to Assets Ratio Lower Limit or the Liabilities to Assets Ratio Upper Limit, as specified, in each case, in the applicable Final Terms and in each case disregarding the value of any Waived Notes, or (B) where no Liabilities to Assets Ratio Upper Limit is specified in the applicable terms, would not result in a breach of the Liabilities to Assets Ratio Lower Limit as specified in the applicable Final Terms and disregarding the value of any Waived Notes;
  - (b) would comply with the Investment Criteria and the other conditions specified in the applicable Final Terms; and
  - (c) would result in less than 50 per cent. of combined total assets comprising the Compartment Assets and any Supplementary Assets (if any) (after such addition or removal) being in the form of debt issued or backed by the United States of America.
- (ii) Following removal of any Removed Assets in accordance with Condition 8(h)(i) above, any such Removed Assets shall automatically be released from the relevant Security created by or pursuant to the Trust Deed, any French Pledge and any Additional Security Document and the Issuer and the Compartment Assets Manager shall do, or arrange to be done, all things necessary to effect such release.



- (iii) Following addition of any Additional Assets in accordance with Condition 8(h)(i) above, any such Additional Assets shall automatically be subject to the relevant Security created by or pursuant to the Trust Deed, any French Pledge and any Additional Security Document and the Issuer and the Compartment Assets Manager shall do, or arrange to be done, all things necessary to ensure that the Additional Assets become subject to such security.
- (iv) The Issuer has appointed the Compartment Assets Manager pursuant to the Collateral Management Agreement, under which such Compartment Assets Manager will have the right to add or remove assets in accordance with this Condition 8(h).
- (v) The Trustee shall not be liable to the Issuer, the Noteholders or any other person for any loss arising from any arrangement referred to in this Condition 8(h). Neither the Issuer, the Guarantor nor the Compartment Assets Manager shall be liable to any other person for any loss arising from any arrangement referred to in this Condition 8(h) (except, in the case of the Compartment Assets Manager, to the extent that any of its acts or omissions constitute a wilful, grossly negligent or fraudulent breach of its obligations under the Collateral Management Agreement). By acquiring any Note, each Noteholder agrees to be bound by these provisions.
- (vi) All rights of addition or removal under this Condition 8(h) shall cease upon the occurrence of a Note Acceleration (as defined in Condition 11(a)) or in the event that the Compartment Assets Manager notifies the Issuer in writing (with a copy to the Trustee) that it has determined that one or more Trigger Events has occurred for the purposes of Condition 7(m) (Redemption following a Trigger Event).

(i) *Residual Shortfall*

Without prejudice to the rights of the Trustee held for the benefit of holders of Guaranteed Notes under the Guarantee, if the net proceeds (the **Net Proceeds**) of the realisation or enforcement of the Security created pursuant to the Trust Deed and/or any French Pledge and/or any Additional Security Document in respect of the Charged Assets and, if applicable, the Available Supplementary Assets are not sufficient to make all payments due in respect of such Notes and any such Related Notes (any such shortfall being a **Residual Shortfall Amount**), then:

- (i) the obligations of the Issuer in respect of such Notes and any such Related Notes will be limited to such Net Proceeds and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall have any claim in respect of any asset of the Issuer not forming part of the Charged Assets or, if applicable, and subject to the provisions of Condition 8(b) (*Supplementary Assets*), the Supplementary Assets; and
- (ii) the Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any Noteholder's right to receive any further sums in respect of any Residual Shortfall Amount shall be extinguished in full, and neither the Trustee nor any Secured Party nor anyone acting on behalf of any Secured Party shall be entitled to take any further steps against the Issuer or the Trustee to recover any such Residual Shortfall Amount (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer).

No Secured Party, nor any party to the Trust Deed shall be entitled to petition or take any other step for the winding-up of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment

(*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of an examiner in respect of the Issuer (including, without limitation, the appointment of any receiver (*curateur*) (except any receiver appointed by the Trustee pursuant to the Trust Deed), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*). Failure by the Issuer to make any payment in respect of any Residual Shortfall Amount shall in no circumstances constitute an Event of Default under Condition 11 (*Events of Default*).

(j) *Excess Assets Direction*

Where the Security constituted by or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document in respect of a Series becomes enforceable and the Trustee (or any Appointee on its behalf) determines that the Net Proceeds in respect of such Series exceeds or is likely to exceed the amounts due to the Secured Parties in accordance with the Order of Priority (such determination, an **Excess Assets Event**), it shall notify the Secured Parties (other than the Noteholders) in accordance with Clause 11 (Proceedings, Action and Indemnification) of the Trust Deed.

In such circumstances, the Secured Party that has provided Charged Assets to the Issuer in connection with such Series may send a notice to the Trustee, with a copy to the Issuer and the other Secured Parties (other than the Noteholders), within 5 Business Days of receipt of notice from the Trustee of the occurrence of the Excess Assets Event, directing the Trustee how to deal with the Charged Assets (such notice an Excess Assets Direction) (including in relation to the order of realisation of such assets) and requesting the Trustee to deliver any Residual Collateral Assets to it.

The Trustee shall be obliged to act in accordance with the terms of such Excess Assets Direction provided that if the Trustee (or any Appointee on its behalf) determines that (i) the realisation of the Charged Assets will not realise sufficient funds to make payment of all the amounts payable by the Issuer to the Secured Parties in accordance with the Order of Priority or (ii) effecting the realisation of the relevant Charged Assets in the manner set out in the relevant Excess Assets Direction will not realise sufficient funds to make payment of all the amounts payable by the Issuer to the Secured Parties in accordance with the Order of Priority, the Trustee shall, subject as set out below, be entitled to treat such notice as if it had never been sent. If the Trustee does in fact satisfy all claims and liabilities in respect of amounts payable by the Issuer to the Secured Parties in accordance with the Order of Priority in full and there are Residual Collateral Assets remaining, the Trustee shall deliver such Residual Collateral Assets in accordance with the Excess Assets Direction.

The Trustee and the Issuer shall incur no liability to any person from complying with the instructions contained in any Excess Assets Direction.

For the purposes of this Condition 8(j), **Residual Collateral Assets** means all Collateral Assets remaining after the realisation of sufficient Collateral Assets necessary to satisfy payment in full of all amounts due to the Secured Parties in accordance with the Order of Priority.

(k) *Issuer's rights as holder of Compartment Assets and Supplementary Assets (if any)*

Unless otherwise specified in the applicable Final Terms, the Issuer may exercise any rights in its capacity as holder of the Compartment Assets and the Supplementary Assets (if any) (including, without limitation, a right to vote or any analogous right howsoever described) only as directed in writing by the respective holders of at least one-fifth in aggregate principal amount of the Notes and any Related Notes then outstanding or as directed by an

Extraordinary Resolution (as defined in the Trust Deed) (an **Extraordinary Resolution**) of the Noteholders and the holders of each Series of Related Notes or, if so specified in the applicable Final Terms, in accordance with the directions given by the voting agent (the **Voting Agent**) (which (i) if Societe Generale is specified as Voting Agent, has been appointed pursuant to an agreement (the **Voting Agency Agreement**) dated 20 June 2012 between, *inter alios*, the Issuer and Societe Generale as Voting Agent (ii) if any other entity is specified as Voting Agent, will be appointed pursuant to an agreement for such purposes specified in the applicable Final Terms) and, if such direction is given, the Issuer will act in accordance with such directions, unless such instructions are in the reasonable opinion of the Issuer contrary to applicable laws, regulations and/or circular letters issued by the Issuer's supervisory authority or materially detrimental to the interests of the Issuer. In particular, the Issuer will not, unless otherwise stated in the applicable Final Terms, attend or vote at any meeting of holders of the Compartment Assets or the Supplementary Assets (if any), or give any consent or notification or make any declaration in relation to the Compartment Assets or the Supplementary Assets (if any), save as directed in writing by the respective holders of at least one-fifth in aggregate principal amount of Notes and any Related Notes then outstanding or as directed by an Extraordinary Resolution of each of the Noteholders and the holders of each Series of Related Notes or, if so specified in the applicable Final Terms, as directed by the Voting Agent.

## 9. TAXATION

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

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

- (a) the holder of which is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his being connected with the Grand Duchy of Luxembourg or France (as applicable) other than by the mere holding of such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day (as defined in Condition 6(g) (*Payment Business Day*)); or
- (c) in respect of an issue of Notes which have been privately placed, if the applicable Final Terms indicate that no such additional amounts shall be payable; or
- (d) where such withholding or deduction (i) is imposed on a payment to an individual beneficial owner or a residual entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive or (ii) is required to be made pursuant to any agreements between the European Union and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or

- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down (y) in the European Council Directive 2003/48/EC on the taxation of savings income or (z) in the draft legislation proposed by the Swiss Federal Council on 22 December, 2010, in particular the principle to have a person other than the Issuer or Guarantor withhold or deduct the tax, such as, without limitation, any paying agent; or
- (f) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (g) where such withholding or deduction is imposed as a result of non-compliance by Noteholders with the requirements of FATCA.

In these Terms and Conditions:

- (i) **Tax Jurisdiction** means, in relation to the Issuer, the Grand Duchy of Luxembourg or any political subdivision or any authority thereof or therein having power to tax and, in relation to the Guarantor only, France or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) **Relevant Date** means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 19 (*Notices*).

## 10. PRESCRIPTION

Bearer Notes (and any related Receipts and Coupons) and Registered Notes will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor, except as provided in the applicable Final Terms.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 (*Prescription*) or Condition 6(b) (*Method of Payment*) or any Talon which would be void pursuant to Condition 6(b) (*Method of Payment*).

*The Luxembourg Act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended, requires that before opposition to any payment under the Notes, Receipts or Coupons (if any) is filed by the relevant holder, any amount that is due but has not yet been paid under the Notes, Receipts or Coupons (if any) is paid to the Caisse de Consignations in Luxembourg until the opposition to such payment (if any) has been withdrawn or elapsed.*

## 11. EVENTS OF DEFAULT

- (a) In respect of any Series of Notes, the Trustee at its discretion may (subject as provided in Condition 11(b) below), and if so requested in writing by the holders of at least one-fifth in aggregate principal amount of Notes of such Series then outstanding or if so directed by an Extraordinary Resolution of such holders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer and the Guarantor (if applicable) that such Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (such occurrence, a **Note Acceleration**) upon the occurrence of any of the following events (each an **Event of Default**):
- (i) a default is made for a period of 30 days or more in the payment of any sum due or the delivery of Underlying Assets deliverable in respect of the Notes of such Series; or
  - (ii) the Issuer fails to perform or observe any of its other obligations under the Notes of such Series or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this Condition shall be required) such failure continues for a period of 60 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
  - (iii) in respect of any other Series of notes issued under the same Compartment as the Notes (such other Series of notes, the **Related Notes**), a “Note Acceleration” (as defined under the terms and conditions of such Related Notes) occurs; or
  - (iv) any order is made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or the appointment of a receiver of the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of Notes of such Series; or
  - (v) the Issuer is in a state of cessation of payments (*cessation de paiements*) and has lost its commercial creditworthiness (*ébranlement de crédit*); or
  - (vi) in the case of Guaranteed Notes (as specified in the applicable Final Terms), the Guarantee ceases to be in full force and effect in respect of the Notes of such Series, or notice is given by the Guarantor which would cause the Guarantee to cease to be in full force and effect in respect of such Notes of such Series, or is rendered void for any cause or by any means whatsoever or any legislation is introduced the result of which would be to remove the benefit of the Guarantee from the Notes of such Series, or terminate or amend the same in a manner (in the opinion of the Trustee) materially adverse to the interests of the Noteholders, the Receiptholders or the Couponholders of such Series, or the Guarantor is unable to perform its obligations thereunder for any reason.
- (b) If an Event of Default occurs by virtue of the operation of Condition 11(a)(iii) above: (A) a Note Acceleration for the purposes of the Notes shall be deemed to have occurred at the same time as the “Note Acceleration” (as such expression is defined in the terms and conditions of the

relevant Related Notes) occurred for the purposes of the relevant Related Notes; and (B) the Security constituted by or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document shall become enforceable as described in Condition 12 (*Enforcement and Realisation*).

- (c) Each of the Issuer and, in relation to (i) below only, the Guarantor has severally undertaken in the Trust Deed that (in relation to each Series), so long as any of the Notes of that Series remains outstanding, it will give to the Trustee (i) within seven days after demand by the Trustee therefor and (ii) (without the necessity for any such demand) promptly, and in any event not later than 180 days after each anniversary of the date of such Trust Deed, a certificate signed by a Director (in the case of the Issuer) or an authorised signatory (in the case of the Guarantor, if applicable) to the effect that, as at a date not more than seven days before delivering such certificate (the **relevant date**), there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate, the Issue Date of the relevant Series) any Event of Default or any Potential Event of Default (with respect to Condition 11(a)(vi) only in the case of the certificate of the Guarantor) in relation to such Series (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or, in the case of the first such certificate, the Issue Date of the relevant Series) to and including the relevant date of such certificate, each of the Issuer and the Guarantor has complied with all its obligations in relation to such Series contained in the Trust Deed (in relation to the Guarantee only in the case of the certificate of the Guarantor) or (if such is not the case) specifying the respects in which it has not so complied.
- (d) The Trust Deed provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default (as defined in the Trust Deed) has occurred or is continuing.

## 12. ENFORCEMENT AND REALISATION

Unless otherwise specified in the applicable Final Terms, upon the occurrence of a Note Acceleration under Condition 11 (*Events of Default*), the Security constituted by or created pursuant to the Trust Deed, any French Pledge and any Additional Security Document shall become enforceable and shall be enforced by the Trustee or any Appointee appointed thereby doing one or more of the following:

- (A) endeavouring to sell or otherwise realise the Charged Assets (including, without limitation, by terminating, closing out or enforcing any Related Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Assets) in accordance with the provisions of the Trust Deed; and/or
- (B) otherwise enforcing the Security constituted by or pursuant to the Trust Deed, any French Pledge and/or any Additional Security Document,

in each case, without any liability as to the consequences of any such action and without having regard to the effect of any such action on individual Noteholders or Couponholders, provided that the Trustee shall not be required to take any such action without first being indemnified and/or secured and/or pre-funded to its satisfaction or to do anything which is or may be contrary to any applicable law or regulation.

In the event of a Charged Assets Shortfall with respect to any Series of Category B Notes, Condition 12(A) shall apply for the purposes of Condition 8(b)(iii), *mutatis mutandis* and as though references in Condition 12(A) above to Charged Assets were references to Available Supplementary Assets.

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties and no Secured Party shall be entitled to proceed against the Issuer unless the

Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing.

**13. MEETINGS OF NOTEHOLDERS; MODIFICATIONS; WAIVER; TRUSTEE DETERMINATION; SUBSTITUTION**

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders of each Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such Notes). The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a clear majority in aggregate principal amount of the Notes for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Noteholders, whatever the principal amount of the Notes so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders and holders of Receipts, except that any Extraordinary Resolution proposed to address a Reserved Matter (as defined in the Trust Deed), including (a) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereof, (b) to change the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (c) to change the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (d) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Final Redemption Amount or Early Redemption Amount is shown in the applicable Final Terms, to change any such Minimum and/or Maximum, (e) to change any method of calculating the Final Redemption Amount or Early Redemption Amount or, in the case of Zero Coupon Notes, to vary the method of calculating the Amortised Face Amount, (f) to change the currency or currencies of payment or denomination of the Notes, (g) to direct the Trustee to take any steps as specified in Clause 11.1 of the Trust Deed and/or Condition 11 (*Events of Default*), (h) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or (i) to modify the definition of Reserved Matter in the Trust Deed, will only be binding if passed at a meeting of the Noteholders, the quorum at which shall be two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in principal amount of the Notes for the time being outstanding. The holder of a Global Note representing all (or part) of the Notes for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders.

*The provisions of articles 86 to 97 of the Luxembourg Act dated 10 August 1915 on commercial companies, as amended, shall not apply to the Notes, Receipts and Coupons (if any).*

(b) *Modification*

The Trustee may, without the consent of the Noteholders, agree to: (a) any modification to the Trust Deed or any other Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error, or an error which is, in the opinion of the Trustee, proven; (b) any modification of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the respective interests of the Noteholders and the holders of any Related Notes, provided that in the case of rated Notes, each Rating Agency specified in the applicable Final Terms confirms (whether or not such confirmation is addressed to, or provides that it may be relied upon by, the Trustee and irrespective of the method by which such confirmation is conveyed) (x) that the then

current rating by it of the Notes and/or any rated Related Notes would not be downgraded, withdrawn or qualified as a result of such modification and/or (y) if the original rating of the Notes and/or any Related Notes has been downgraded previously, that such modification will not prevent the restoration of such original rating of such Notes and/or, as the case may be, any Related Notes; (c) any modification of the provisions of the Trust Deed or any other Transaction Document which is made to satisfy any requirement of, in the case of rated Notes, any Rating Agency (specified in the applicable Final Terms) or any stock exchange on which the Notes are or are proposed to be listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the respective interests of the Noteholders and the holders of any Related Notes; and (d) any modification of the provisions of the Trust Deed or any other Transaction Document which is specified in the Trust Deed as being a modification to which the Trustee may agree without the consent of the Noteholders or any Secured Party.

To the extent that any securities issued by the Issuer remain outstanding, any modification with respect to unrated Notes referred to in (a), (b), (c) or (d) above are also required to be approved by Standard & Poor's.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

(c) *Waiver*

The Trustee may, without the consent of the Secured Parties and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and insofar as in its opinion the interests of each of the Noteholders and the holders of any Related Notes shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer or (if applicable) the Guarantor of any of the covenants or provisions in the Trust Deed or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this Condition 13(c) in contravention of any express direction given by an Extraordinary Resolution of each of the Noteholders and the holders of each Series of Related Notes, but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Secured Parties.

If the Trustee shall so require, any such waiver, authorisation or determination shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

(d) *Trustee determination*

If, in the opinion of the Trustee, any modification, waiver, authorisation or determination referred to in Conditions 13(b) (*Modification*) and 13(c) (*Waiver*) above affects the interests of the holders of any Series of Related Notes, the Trustee shall agree to such modification, waiver, authorisation or determination only if either (i) it is satisfied that, in its opinion, the interests of the holders of each such affected Series of Related Notes will not be materially prejudiced thereby or (ii) the holders of each such affected Series of Related Notes sanction such modification, waiver, authorisation or determination by way of Extraordinary Resolution, each of (i) and (ii) in accordance with the Conditions of the relevant Series of Related Notes.

(e) *Substitution*

The Trust Deed contains provisions permitting the Trustee, subject to the further conditions set out in the Trust Deed and such amendment of the Trust Deed and other conditions as the Trustee may require, but without the consent of the holders of the relevant Series of Notes, to agree with the Issuer and the Guarantor (if applicable) to the substitution, in respect of any Series of Notes, in place of the Issuer (or of the previous substitute), as the principal debtor under the Notes of such Series, or the Guarantor, as guarantor under the relevant Series of



Notes, of any other company (provided that the Guarantor of the Notes shall never be the same company as the Issuer of the Notes) (such substituted company being hereinafter called the **Substitute Company**).

Not later than 14 days after the execution of such amendment and compliance with such conditions as aforesaid, the Substitute Company shall give notice thereof in a form previously approved by the Trustee to the relevant Noteholders in the manner provided in Condition 19 (*Notices*).

*For the purposes of this Condition 13(e), it is expressly agreed that by subscribing to, acquiring or otherwise purchasing the Notes, the holders of the Notes are expressly deemed to have consented to the substitution of the Issuer and/or the Guarantor in accordance with the foregoing and to the release of the Issuer and/or the Guarantor from any and all obligations in respect of the Notes and all the agreements attached thereto and are expressly deemed to have accepted such substitution and the consequences thereof.*

(f) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall assume that each holder of a Bearer Note is the holder of all Receipts, Coupons and Talons relating to such Bearer Note and shall have regard to the interests of the holders of such Notes or the Coupons, Receipts or Talons relating thereto as a class and shall not have regard to the consequences of such exercise for any particular Noteholder or Couponholder or holder of any Receipt or Talon and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder or holder of any Receipt or Talon be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Notes, Coupons, Receipts or Talons.

**14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note (except any Uncertificated Note) or (in the case of any Bearer Note) Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer or (if applicable) the Guarantor may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

In the case of SIS Notes, references in this Condition 14 to the Issuing and Paying Agent shall be deemed to be references to the Principal Swiss Paying Agent.

**15. ISSUING AND PAYING AGENT AND PAYING AGENTS**

The names of the initial Issuing and Paying Agent, the initial Registrar and the other initial Paying Agent(s) and their initial specified offices are set out below (except with respect to SIS Notes) and the name(s) and specified office(s) of the Calculation Agent(s) are specified in the applicable Final Terms. In addition, the Issuing and Paying Agent may (with the prior written consent of the Issuer, the Guarantor (if applicable) and the Trustee) delegate certain of its functions and duties in relation to Physical Delivery Notes to a settlement agent (the **Settlement Agent**). In relation to SIS Notes, the Issuer will maintain a Principal Swiss Paying Agent (which, in the case of Notes listed on the SIX Swiss Exchange, shall at all times be a bank or securities dealer that is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA) whose duties will be set out in the Swiss Paying Agency Agreement. In relation to SIS Notes, references in these Conditions to the **Issuing and Paying Agent** shall so far as the context permits be deemed to be references to the Principal Swiss Paying Agent.

In relation to EUI Notes, the Issuer will appoint (and in the case of CDIs permanently maintain) an EUI Agent.

The Issuer and the Guarantor, with the prior written approval of the Trustee, are entitled to vary or terminate the appointment of any Paying Agent or Settlement Agent and/or appoint additional or other Paying Agents or Settlement Agents and/or approve any change in the specified office through which any Paying Agent or Settlement Agent acts, provided that (except with respect to Uncertificated Notes):

- (a) so long as the Notes are listed on any stock exchange or admitted to trading or listing by another relevant authority, there will at all times be a Paying Agent (which may be the Issuing and Paying Agent) and a Transfer Agent (which may be the Registrar) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a city in Europe;
- (c) so long as any Registered Global Notes are registered in the name of a nominee for DTC, there will at all times be an Exchange Agent and a Paying Agent with a specified office in New York City;
- (d) there will at all times be a Paying Agent in a member state of the European Union (a **Member State**) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law; and
- (e) there will at all times be a Issuing and Paying Agent and a Registrar.

In addition, the Issuer and the Guarantor with the prior written approval of the Trustee shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 6(e) (*Payments in respect of Registered Notes*). Notice of any variation, termination, appointment or change will be given to the Noteholders promptly by the Issuer in accordance with Condition 19 (*Notices*)

Notwithstanding the foregoing, the Issuer undertakes that it will appoint, in respect of any SIS Notes, a Principal Swiss Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent in respect of any SIS Notes having a specified office outside Switzerland.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer, the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent. If in connection with any Series of Notes the Calculation Agent is Societe Generale, its appointment will be governed by the terms of the Calculation Agency Agreement set out in the Appendix (*Form of Calculation Agency Agreement*) to the Agency Agreement. In the event that a Calculation Agent other than Societe Generale is appointed in connection with any Series of Notes, the terms of its appointment will be summarised in the applicable Final Terms.

Notwithstanding the foregoing, the Issuer undertakes, in respect of any SIS Notes, that it will appoint and maintain a Principal Swiss Paying Agent having a specified office in Switzerland (which, in the case of Notes listed on the SIX Swiss Exchange, shall at all times be a bank or securities dealer that is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA), and will at no time maintain a Paying Agent in respect of any CHF SIS Notes having a specified office outside Switzerland.

## 16. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

#### 17. FURTHER NOTES, RELATED NOTES AND CONSOLIDATION

The Issuer may from time to time without the consent of the Secured Parties, but subject to Condition 4 (*Restrictions*), create and issue:

- (a) further securities (**Further Notes**) having the same terms and conditions as the Notes in all respects (or in all respects except for their Issue Date, Interest Commencement Date, Issue Price and/or the amount and date of the first payment of interest thereon) and so that the same shall be consolidated, and form a single series with, the outstanding Notes; and/or
- (b) Related Notes,

provided, in each case, that, unless otherwise approved by an Extraordinary Resolution of the holders of the Notes, and an Extraordinary Resolution (as defined under the terms and conditions of such Related Notes) in respect of the holders of each Series of Related Notes (if any) then outstanding under the relevant Compartment immediately prior to the date on which such Further Notes or Related Notes are to be issued, the Compartment Assets Manager acquires, prior to the relevant Acquisition Deadline, additional Compartment Assets (which additional Compartment Assets may consist of new or, to the extent that the existing Compartment Assets comprise one or more agreements, amended, agreements) in order to ensure that the issue of the Further Notes or, as the case may be, Related Notes does not cause a breach of the Liabilities to Assets Ratio Lower Limit or the Liabilities to Assets Ratio Upper Limit, as specified, in each case, in the applicable Final Terms. The provisions of Condition 8(g)(i) shall apply, *mutatis mutandis* and as though such additional Compartment Assets were Replacement Assets, and whether or not such Condition 8(g)(i) is specified in the applicable Final Terms as applicable with respect to the Notes.

In the event that any Series of Related Notes is redeemed other than pursuant to a Note Acceleration (as such expression is defined under the terms and conditions of such Related Notes), the Compartment Assets Manager shall be entitled, notwithstanding any provision to the contrary, to modify the composition or, if appropriate, the terms of the Compartment Assets so as to ensure that such redemption does not cause a breach of the Liabilities to Assets Ratio Lower Limit or the Liabilities to Assets Ratio Upper Limit, as specified, in each case, in the applicable Final Terms and in each case disregarding the value of any Waived Notes. The provisions of Condition 8(g)(i) shall apply to the foregoing paragraph, *mutatis mutandis* and whether or not such Condition 8(g)(i) is specified in the applicable Final Terms as applicable with respect to the Notes.

Any Further Notes or Related Notes shall be constituted and secured by the Trust Deed and the Notes and the Further Notes or, as the case may be, the Related Notes shall be secured by the same Charged Assets. References in these Conditions to “Notes” and “Charged Assets” shall be construed accordingly.

For the avoidance of doubt, (i) a separate and distinct French Pledge will be executed with respect to the Charged Assets relating to any Further Notes and Related Notes with respect to which the applicable Final Terms specify that the security for the Notes is “Charged Assets charged to the Trustee; French law security” and (ii) to the extent required in accordance with relevant applicable laws and regulations, a separate and distinct Additional Security Document(s) will be executed with respect to the Charged Assets relating to any Further Notes and Related Notes with respect to which the applicable

Final Terms specify that the security for the Notes is “Charged Assets charged to the Trustee; additional foreign law security”.

The Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the Notes pursuant to Condition 1 (*Form, denomination, redenomination and title*), on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 19 (*Notices*), without the consent of the Secured Parties, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

The provisions of this Condition 17 shall not apply to Preference Share Linked Notes or Warrant Linked Notes

## **18. REMOVAL, INDEMNIFICATION AND OBLIGATIONS OF THE TRUSTEE**

The Trust Deed contains provisions for the appointment, retirement and removal of the Trustee. The Issuer may remove and appoint a new trustee in respect of the Notes if approved by an Extraordinary Resolution of each of the Noteholders and the holders of each Series of Related Notes. The Issuer shall, as soon as practicable after the appointment of a new trustee, notify the Noteholders of such appointment in accordance with Condition 19 (*Notices*).

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Compartment Assets or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Charged Assets. The Trustee is not obliged to take any action under the Trust Deed, the Notes or otherwise unless indemnified and/or secured to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, the Guarantor, any issuer or guarantor (where applicable) of any of the Charged Assets or Supplementary Assets, any party other than the Issuer under a Related Agreement, or any of their subsidiary, holding or associated companies without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value (as appropriate) of the Charged Assets or Supplementary Assets, from any obligation to insure or to procure the insuring of the Charged Assets or Supplementary Assets (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Charged Assets or Supplementary Assets are held in an account with a clearing agent in accordance with that relevant clearing agent's rules or otherwise held in safe custody by the Custodian or any custodian whether or not selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

*For the purposes of this Condition 18, each of the Issuer and, as the case may be, the Guarantor expressly accepts and confirms, for the purposes of articles 1278 and 1281 of the Luxembourg Civil Code, that notwithstanding any assignment, transfer and/or novation permitted under and made in accordance with the provisions of the Trust Deed or any agreement referred to therein to which the Issuer and, as the case may be, the Guarantor are party, any security created or guarantee given under the Trust Deed shall be reserved for the benefit of the new trustee (for itself and for the benefit of each other Secured Party).*

## **19. NOTICES**

(a) *Notices regarding Notes other than SIS Notes and EUI Notes*

(i) All notices regarding the Notes shall be deemed to be validly given if published:

- (A) in a leading English language daily newspaper of general circulation in Europe; and
- (B) if and for so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

It is expected that any such publication in a newspaper will be made in the Financial Times in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given (i) on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspaper(s) or (ii) in the case of publication on a website, on the date on which such notice is first posted on the relevant website.

- (ii) Until such time as any Notes in definitive form are issued, there may, so long as the Global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) as referred to in Condition 15(a)(i) above, or mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of such stock exchange or relevant authority so require, such notice will be published in accordance with such rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.
- (iii) In addition to the above, all notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or by airmail (if posted to an address overseas) to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.
- (iv) In addition to the above, all notices to holders of Uncertificated Notes shall be deemed to have been duly given if sent by mail to a Noteholder on the address registered for such Noteholder in the system of the relevant central securities depository and clearing institution or in accordance with the legislation, rules and regulations applicable to, and/or issued by, the relevant central securities depository and clearing institution. Any such notice shall be deemed to have been given, if sent by mail to the Noteholder, on the fourth day following the day the notice was sent by mail.
- (v) All notices given to Noteholders (irrespective of how given) shall also be delivered in writing to:
  - (A) Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be (except in the case of EUI Notes and SIS Notes); and
  - (B) in the case of Notes listed on a stock exchange or admitted to trading by another relevant authority, to the relevant stock exchange or authority.

- (vi) Notices to be given by any Noteholder (except in the case of EUI Notes and SIS Notes) shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar (as applicable) via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar (as applicable) and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

(b) *Notices regarding SIS Notes*

- (i) So long as SIS Notes are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, all notices in respect of such Notes will be validly given without cost to the holders of the Notes through the Principal Swiss Paying Agent either (A) by means of electronic publication on the website of the SIX Swiss Exchange ([www.six-swiss-exchange.com](http://www.six-swiss-exchange.com)), where notices are currently published under the address [www.six-swiss-exchange.com/news/official\\_notices/search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/search_en.html) or (B) otherwise in accordance with the regulations of SIX Swiss Exchange. Any notices so given will be deemed to have been validly given on the date of such publication or if published more than once, on the first date of such publication.
- (ii) All notices concerning SIS Notes that are not listed on SIX Swiss Exchange shall be published in a leading daily newspaper (which is likely to be the *Neue Zürcher Zeitung*) having general circulation in Switzerland. Any notice so given shall be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication). Alternatively notices regarding SIS Notes not listed on SIX Swiss Exchange may also be given by communication through the Principal Swiss Paying Agent to SIS for forwarding to the holders of the Notes. Any notice so given shall be deemed to have been validly given with the communication to SIS.

(c) *Notices regarding EUI Notes*

All notices to the EUI Holders shall be valid if (i) delivered to the address of the EUI Holder appearing in the Record by first class post or by hand or, if such address is not in the United Kingdom, by airmail post (such notices to be delivered or sent in accordance with this provision (i) shall be sent at the risk of the relevant EUI Holder) or (ii) published in a daily newspaper with general circulation in the United Kingdom which is expected to be the *Financial Times* or (iii) for so long as the EUI Notes are listed on any stock exchange published in accordance with the rules of such stock exchange. Any such notice shall be deemed to have been given on the second Business Day following, in the case of (i), such delivery or, in the case of (ii), the date of such publication or, if published more than once, on the date of the first such publication and (iii) for so long as the EUI Notes are listed on any stock exchange on the date published in accordance with the rules of such stock exchange.

## 20. ADJUSTMENTS AND DISRUPTION

In the case of Physical Delivery Notes and Index Linked Notes, the applicable Final Terms and (if applicable) a Supplement to the Base Prospectus will (where applicable) contain provisions relating to adjustments with respect to Underlying Assets, any underlying index or indices, settlement disruption and market disruption (including, without limitation and where necessary, appropriate definitions of **Potential Adjustment Events**, **Settlement Disruption Events** and **Market Disruption Events** and details of the consequences of such events), except that for Physical Delivery Notes or Notes that are

Equity Linked Notes, Fund Linked Notes, Commodity Linked Notes, Credit Linked Notes or Managed Assets Portfolio Linked Notes such adjustments with respect to the underlying, and any settlement disruption or market disruption, shall be subject to the provisions of the Technical Annex, unless otherwise provided in the applicable Final Terms.

**21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

The Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which may exist or is available apart from that Act.

**22. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

The Trust Deed, the Agency Agreement, the Disposal Agency Agreement, the EUI Agency Agreement (if any), the Portfolio Management Deed (if any), the Collateral Management Agreement (if any), the Voting Agency Agreement, the Repurchase Agreement and the Notes, the Receipts and the Coupons and any rights and obligations (including any non-contractual obligations) arising out of or in connection with any of them are shall be governed by, and the Trust Deed, the Agency Agreement, the Disposal Agency Agreement, the Portfolio Management Deed (if any), the Collateral Management Agreement (if any), the Voting Agency Agreement, the Repurchase Agreement and the Notes, the Receipts and the Coupons shall be construed in accordance with, English law.

Each of the Issuer and the Guarantor irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to non-contractual obligations arising out of such Notes, Receipts and/or Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including Proceedings relating to any non-contractual obligations arising out of or in connection with such Notes, Receipts and/or Coupons) against the Issuer and/or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

Each of the Issuer and the Guarantor appoints Societe Generale, London Branch (**SGLB**), currently of SG House, 41 Tower Hill, London EC3N 4SG, as its agent for service of process, and undertakes that, in the event of SGLB ceasing so to act or ceasing to be registered in England, it will appoint, subject to the prior written approval of the Trustee, another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer and, where applicable, the Guarantor have (or, as the case may be, shall) in the Trust Deed, the Agency Agreement, the Disposal Agency Agreement, the EUI Agency Agreement (if any), the Portfolio Management Deed (if any), the Collateral Management Agreement (if any), the Repurchase Agreement and the Voting Agency Agreement submitted (or, as the case may be, will submit) to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## TECHNICAL ANNEX

The following shall, if stated to be applicable in the applicable Final Terms, form part of the Terms and Conditions of the Notes.

The payment of principal and/or interest in respect of the Notes subject to the Technical Annex will be determined or calculated by reference to an index and/or a formula based on or referring to one or more Underlying.

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

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

The technical provisions relating to Underlyings of a type other than those mentioned above shall be set out in the Final Terms applicable to the relevant Notes. The provisions of this Technical Annex may be amended in the Final Terms of the relevant Notes.



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(A) EQUITY TECHNICAL ANNEX

The following equity technical annex (the **Equity Technical Annex**) will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***“The provisions of the Equity Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Equity Technical Annex and these Final Terms, these Final Terms shall prevail.”***

Terms used in this Equity Technical Annex, unless specifically defined in this Equity Technical Annex, shall have the same meanings as those set out in the Terms and Conditions of the Notes.

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

**I. Common definitions and provisions for Shares, ADR, Indices, SGI Indices and Dividends**

**I.1. General Definitions**

**Averaging Date** means, in respect of a Valuation Date and a Share, an ADR or an Index, each date specified as such in the applicable Final Terms for the purpose of determining an average (or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day) unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of “*Consequences of Disrupted Days for a Share, an ADR or an Index*” in Part 1 – I.3 below.

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

**Business Day** means a “Business Day” as defined in Condition 5(b)(i) of the Terms and Conditions of the Notes, determined on the basis of the Specified Currency of the relevant Notes.

**Closing Price** means:

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

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

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

**Exchange(s)** means, in respect of a Share, an ADR or an Index, the corresponding exchange or quotation system specified in the applicable Final Terms, or any successor exchange or quotation system or any substitute

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

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

**Hedge Counterparty** means any party with which the Issuer enters into one or any number of arrangements in order to hedge the Issuer's obligations to make any payment in respect of the Notes and may, for the avoidance of doubt, include Societe Generale and/or one of its affiliates.

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

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

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

**Valuation Date** means, in respect of a Share, an ADR or an Index, each date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day for such Share, ADR or Index, the next following Scheduled Trading Day), unless such day is a Disrupted Day in which case it shall be postponed pursuant to the provisions of "*Consequences of Disrupted Days for a Share, an ADR or an Index*" in Part 1 – I.3 below.

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

**Market Disruption Event** means, in respect of a Share or an Index, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (c) an Early Closure. For the purpose hereof:

- (A) **Trading Disruption** means, in respect of a Share or an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or, in the case of an Index, on the relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index or (b) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;
- (B) **Exchange Disruption** means, in respect of a Share or an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market

participants in general to effect transactions in, or obtain market values for (a) the Share on the Exchange, or, in the case of an Index, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange;

- (C) **Early Closure** means the closure on any Exchange Business Day of (a) (i) in the case of a Share, the relevant Exchange, or (ii) in the case of an Index any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (b) any Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

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

### I.3. Consequences of Disrupted Days for a Share, an ADR or an Index

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

- (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date or Averaging Date (as the case may be), for the Share, ADR or Index notwithstanding the fact that such day is a Disrupted Day; and
- (B) the Calculation Agent shall determine (a) in respect of a Share or an ADR, its good faith estimate of the value of the Share or ADR as of the Valuation Time on that eighth Scheduled Trading Day or (b) in respect of an Index, the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day) and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price.

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

Provided however that:

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled

Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price;

- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made in respect of such Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall after the fourth Business Day prior to the date of any payment to be made in respect of such Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make, on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the value of the Share or ADR or the level of the Index so calculated shall be deemed the Closing Price.

## II. Definitions specific to Shares and ADR

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

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

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

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

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

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

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

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

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

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

### III. Definitions specific to Indices

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

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

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

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

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

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

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

### IV. Definitions and provisions specific to SGI Indices

#### IV.1. General Definitions

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

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

**Business Day** means a “Business Day” as defined in Condition 5(b)(i) of the Terms and Conditions of the Notes, determined on the basis of the Specified Currency of the relevant Notes.

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

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

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

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

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

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

**Equity Disruption Event** means, in respect of an Equity Instrument, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption which, in either case, the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or (c) an Early Closure. For the purpose hereof:

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



prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (x) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (y) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

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

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

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

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

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

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

**Index Component** means an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument and/or a Market Data, as specified in the Index Rules. For the purposes of the Notes, the relevant Index Component(s) is/are an Equity Instrument, a Fund Instrument, a Debt Instrument, a Commodity Instrument, an Other Instrument, Market Data, or any combination thereof as specified in the Index Rules, which Index Component(s) may be modified from time to time pursuant to such Index Rules.

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

- (A) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Equity Instruments: the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
- (B) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Fund Instruments: the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
- (C) for an SGI Index in respect of which the Index Components comprise, without limitation, one or several Commodity Instruments: the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
- (D) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Debt Instruments: the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
- (E) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Other Instruments: the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
- (F) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data; and

- (G) for an SGI Index in respect of which the Index Components comprise, without limitation, one or more indices (each an **Underlying Index**) and:
- (a) if the Underlying Index comprises, without limitation, one or more Equity Instruments: the occurrence of an Equity Disruption Event in respect of one or more of these Equity Instruments; and
  - (b) if the Underlying Index comprises, without limitation, one or more Fund Instruments: the occurrence of a Fund Disruption Event in respect of one or more of these Fund Instruments; and
  - (c) if the Underlying Index comprises, without limitation, one or several Commodity Instruments: the occurrence of a Commodity Disruption Event in respect of one or more of these Commodity Instruments; and
  - (d) if the Underlying Index comprises, without limitation, one or more Debt Instruments: the occurrence of a Debt Disruption Event in respect of one or more of these Debt Instruments; and
  - (e) if the Underlying Index comprises, without limitation, one or more Other Instruments: the occurrence of an Other Instrument Disruption Event in respect of one or more of these Other Instruments; and
  - (f) if the Underlying Index comprises, without limitation, one or more Market Data: the occurrence of a Market Data Disruption Event in respect of one or more of these Market Data;

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

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

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

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

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

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

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

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

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

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

**SGI Index** means the Societe Generale index (or the SGI Indices in the case of a Basket) specified as Underlying in the applicable Final Terms, subject to adjustments pursuant to the provisions of “*Adjustments and Events relating to SGI Indices*” in Part 2 – III below.

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

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

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

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

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

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

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

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

provided however that:

- (a) if a Scheduled Averaging Date is a Disrupted Day, the Averaging Date shall be postponed pursuant to the provisions above to the first succeeding Scheduled Trading Day that is not a Disrupted Day provided it is not also a Scheduled Averaging Date; if on the eighth Scheduled Trading Day following the Scheduled Averaging Date a Scheduled Trading Day that is not a Disrupted Day nor another Scheduled Averaging Date has not occurred, then that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is also a Scheduled Averaging Date), and the Calculation Agent shall make on that day the determinations described in (B) above, and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price;

- (b) notwithstanding the foregoing, in respect of any Notes, a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any payment to be made in respect of the Notes on the basis of determinations made on such Valuation Date or Averaging Date; if a Valuation Date or an Averaging Date (postponed as the case may be pursuant to the provisions above) would fall after the fourth Business Day prior to the date of any payment to be made in respect of the Notes on the basis of determinations made on such Valuation Date or Averaging Date, then that fourth Business Day shall be deemed the Valuation Date or Averaging Date and the Calculation Agent shall make on that day the determinations described in (B) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the level of the SGI Index so calculated shall be deemed the Closing Price.

#### V. Definitions specific to shares or units of ETF

- (A) Part 1 – I “*Common definitions and provisions for Shares, ADR, Indices and Dividends*” and Part 1 – II “*Definitions specific to Shares and ADR*” above of this Equity Technical Annex, De-listing Event and any related provisions of Part 2 below of this Equity Technical Annex shall apply to a share or unit of an ETF which for all purposes of these provisions shall be deemed to be a Share and to an ETF which shall be deemed to be a Company.
- (B) Part 2 – I “*Adjustments*” and Part 2 – II “*Extraordinary Events relating to any Fund and/or any Fund Unit*” in “*Adjustments, Extraordinary Events, Disruption Events and Maturity Disruption Event specific to Funds*” of the Fund Technical Annex shall apply to an ETF which for all purposes of these provisions shall be deemed to be a Fund.

#### VI. Definitions specific to Dividends

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

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

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

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

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

dividend or as the case may be the Related Exchange, the provisions above shall apply only to the unadjusted part).

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

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

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

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

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

### **I. Adjustments and Extraordinary Events relating to Shares and ADR**

#### **I.1. Potential Adjustment Events**

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

- (A) a subdivision, consolidation or reclassification of such Share (unless resulting in a Merger Event), including, for the avoidance of doubt, a stock split or reverse stock split, or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of such Share of (a) such Shares, (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, (c) share capital, other securities of another issuer acquired or owned (directly or indirectly) by the Company as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend as determined by the Calculation Agent;
- (D) a call by the Company in respect of Shares that are not fully paid;
- (E) a repurchase by the Company or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (G) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.

Following the occurrence of any Potential Adjustment Event as defined above, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event determine whether such Potential Adjustment

Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the relevant Share used to determine any settlement or payment terms under the Notes and/or any other terms of the Notes as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Notes and (b) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by a Related Exchange to options on the Share traded on such Related Exchange.

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

Definitions applicable to this section:

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

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

## **I.2. Extraordinary Events**

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

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

- (f) in respect of a Participation Event from the effective date of such event until the sixtieth Business Day thereafter, the Calculation Agent may, but is not obliged to, select a Substitute Share or Substitute ADR for the Affected Share or the Affected ADR pursuant to the Method of Substitution.
- (C) Notwithstanding anything herein to the contrary, the Calculation Agent shall use its reasonable endeavours at all times to maintain the original number of companies in the Basket as Companies hereunder.

Definitions applicable to this section:

**Alternative Obligation** means:

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

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

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

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

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



**Early Redemption** means that there will be an Early Redemption of the Notes on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

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

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

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

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

- (A) any reclassification or change of such Share (including the change of currency reference of the Share) that results in a transfer of or an irrevocable commitment to transfer all of such Share outstanding to another entity or person;
- (B) any consolidation, amalgamation, merger or binding share exchange of the relevant Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- (C) other takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares that results in a transfer of or an irrevocable commitment to transfer all or part of such Shares (other than any of such Shares owned or controlled by the offeror);
- (D) any consolidation, amalgamation, merger or binding share exchange of the relevant Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event; or
- (E) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Calculation Agent based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (A) the Calculation Agent may decide to substitute the Affected Share or Affected ADR by a new share or ADR issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share or Affected ADR (the **Substitute Share** or **Substitute ADR**, as the case may be) and will adjust any relevant terms of the Notes accordingly; or
- (B) the Calculation Agent may decide to continue with the Affected Share or Affected ADR; or
- (C) if the Calculation Agent has neither selected any Substitute Share or Substitute ADR nor decided to continue with the Affected Share or the Affected ADR, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

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

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

## II. Adjustments and Events relating to Indices

### II.1. Adjustments

- (A) If an Index is:
  - (a) not calculated and announced by the relevant Index Sponsor or the Index Calculation Agent as the case may be, but is calculated and announced by a relevant successor index sponsor (the **Successor Index Sponsor**) or a successor index calculation agent (the **Successor Index Calculation Agent**) acceptable to the Calculation Agent; or
  - (b) replaced by a successor index (the **Successor Index**) using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index,

then the Index will be deemed to be the index so calculated and announced by the relevant Successor Sponsor or Successor Calculation Agent or that Successor Index (as the case may be).

- (B) If, in the determination of the Calculation Agent:
  - (a) on or prior to a Valuation Date or an Averaging Date, the relevant Index Sponsor (or if applicable the Successor Sponsor) makes a material change in the formula for, or the method

of calculating, that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events);

- (b) on or prior to any Valuation Date or Averaging Date, the relevant Index Sponsor (or, if applicable, the relevant Successor Sponsor) or the Index Calculation Agent (or the Successor Index Calculation Agent) as the case may be, fails to calculate and publish the level of the Index and such failure is likely to have a material impact on any hedging transactions entered into by the Hedge Counterparty in connection with the Notes; or
- (c) the Index Sponsor (or, if applicable, the Successor Sponsor) permanently cancels the Index and no Successor Index exists,

then the Calculation Agent shall either:

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

If the Calculation Agent has not elected not to calculate the relevant formula in (x) and if in (y) no index meeting the criteria (a) and (b) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of any of the events described in (B.a), (B.b) or (B.c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

- (C) If an Index merges with another index or if an Index which forms part of the Basket merges with another index which does not form part of the Basket (the **Event**), the Calculation Agent will either:
  - (a) continue using the index resulting from the merger; or
  - (b) replace the Index with another index (the **New Index**); as long as the New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has elected not to follow option (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (C) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

- (D) In the case of a merger affecting two Indices comprised in a Basket (the **Event**), the Calculation Agent will either:
  - (a) continue using the index resulting from the merger and, in order to maintain the same number of indices within the Basket, the Calculation Agent will select a further index (a **New Index**) to

be included in the Basket, as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries; or

- (b) replace both Indices with two other indices (each a **New Index**); as long as each New Index is (i) representative of the same economic or geographic sector (as the case may be) and (ii) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has elected not to follow option (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (D) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

- (E) If an Index is split into two or more new indices (the **Event**), the Calculation Agent will either:
  - (a) use the indices resulting from the split to determine an index equivalent to the one existing prior to the split (provided that the indices resulting from the split will be deemed to form together the **New Index**); or
  - (b) replace the split Index with a new index (a **New Index**) as long as such New Index is (i) representative of the same economic or geographic sector (as the case may be), and (ii) to the extent possible representative of shares listed on one or more Exchanges of one or more OECD countries.

If the Calculation Agent has elected not to follow option (a) and if in (b) no index meeting the criteria (i) and (ii) can be selected by the Calculation Agent, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in (E) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

- (F) In the case of a Basket of Indices, in the event that shares forming part of one Index comprising the Basket represent at least 20 per cent. of the capitalisation of another Index forming part of the Basket (the **Affected Index**) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Affected Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries. If the Calculation Agent would replace such Affected Index with a New Index but is unable to identify an index meeting the criteria in (a) and (b) , then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event, described in this (F), an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.
- (G) In the event that an Index ceases to be the underlying of a futures and/or option contract (as the case may be) (the **Event**), the Calculation Agent may, but is not obliged to, replace such Index with a new index as long as such new index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries. If the Calculation Agent would replace such Affected Index with a New Index but is unable to identify an index meeting the criteria in (a) and (b) , then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Event described in this (G), an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

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

- (A) the Calculation Agent may decide to substitute the Affected Index by a new index representative of the same economic or geographic sector (as the case may be), and to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries (the **Substitute Index**) and will adjust any relevant terms of the Notes accordingly; or
- (B) the Calculation Agent may decide to continue with the Affected Index; or
- (C) if the Calculation Agent has neither selected any Substitute Index nor decided to continue with the Affected Index, the Issuer may terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

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

## III. Adjustments and Events relating to SGI Indices

### III.1. Adjustments

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

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

Event (an **Index Disruption** and together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**),

then the Calculation Agent shall either:

- (w) calculate the relevant formula used to determine an amount to be paid or whether a condition has occurred, if any, as described in the applicable Final Terms using, in lieu of a published level for the SGI Index, the level of that SGI Index on the relevant Valuation Date or Averaging Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that SGI Index last in effect prior to that Index Adjustment Event, but using only those Index Components that comprised the SGI Index immediately prior to that Index Adjustment Event (other than those Index Components that have since then ceased to be listed on any relevant Exchange), and adjust, as the case may be, any of the relevant terms of the Notes; or
- (x) replace the SGI Index by a Similar Index; or
- (y) consider such Index Adjustment Event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder as soon as possible after the occurrence of any of the events described in (B.a), (B.c) or (B.c) above, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (z) apply the Monetisation to the Maturity Date (as defined below).

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

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

- (A) substitute the Affected SGI Index by a Similar Index and will adjust any relevant terms of the Notes accordingly; or
- (B) continue with the Affected SGI Index; or
- (C) consider such event as an event triggering an early redemption of the Notes (hereafter an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Stop-Loss Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (D) continue the Notes according to their terms.

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

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

### III.4. Monetisation to the Maturity Date

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

- (A) in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that the Hedge Counterparty would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by the Hedge Counterparty as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hedge Counterparty under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or
- (B) in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms will in all circumstances be a positive amount (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i)(1) the net positive cash amount that the Hedge Counterparty would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Hedge Counterparty as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hedge Counterparty under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

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

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

where:

**Adjusted Calculation Amount** means (i) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (ii) in respect of any succeeding



Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

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

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

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

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

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

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

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Hedge Counterparty, of one or more (i) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (ii) securities lending/borrowing transactions, (iii) any cash deposits or cash borrowings and/or (iv) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer's obligations under one Note linked to or indexed to the relevant Index due on the Maturity Date.

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

#### **IV. Adjustments and Events relating to Dividends**

##### **IV.1. Adjustments**

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

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

- (A) adjust any terms of the Notes it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- (B) replace the Index by a new index, provided that such index is (a) representative of the same economic or geographic sector (as the case may be) and (b) to the extent possible, representative of shares listed on one or more Exchanges of one or more OECD countries; or
- (C) consider such event as an Event triggering an early redemption of the Notes and then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the

occurrence of the Event, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

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

- (A) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
- (B) replace the Affected Share by the resulting share or by a new share issued by a company of a similar international standing or creditworthiness as the Company related to the Affected Share; or
- (C) apply Early Redemption as defined in Part 2 - I.2 above on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

#### **IV.2. Extraordinary Events**

*Failure to Publish*

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

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

*Dividend Recovery*

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

#### **IV.3. Corrections**

In the event that an Official Index Divisor or number of free floating shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to "*Failure to Publish*" in Part 2 – IV.2 above) and utilised for any calculation or determination made in respect of the Notes is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days (as defined in the "*Definitions specific to Indices*" in Part 1 – III above) after the original publication, the Calculation Agent will adjust the Dividend, as

required, to take into account such correction, provided that such correction or subsequent publication occurs no later than four Business Days prior to the Maturity Date (or any payment date(s) determined in the applicable Final Terms).

**V. Hedging Disruption, Increased Cost of Hedging, Insolvency Filing and consequences – Change in Law and consequences**

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

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

**Increased Cost of Hedging** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s) and/or Dividend(s) as Underlying(s), that the Hedge Counterparty would incur a materially increased (as compared with circumstances existing on the date(s) on which the Hedge Counterparty enters into the Hedge Positions in respect of the Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

**Insolvency Filing** means, in respect of Notes that have one or more Share(s), ADR(s) or Dividend(s) as Underlying(s) that the Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting 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.

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

- (A) consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (B) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of an SGI Index, will be a Similar Index; or
- (C) apply the Monetisation to the Maturity Date (as defined above).

For the purpose of this provision:

**Hedge Positions** means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by the Hedge Counterparty, in order to hedge, individually or on a portfolio basis, the Issuer's obligations in respect of the Notes.

## V.2. Change in Law

**Change in Law** means, in respect of Notes that have one or more Share(s), Index(ices), SGI Index(ices), ADR(s), or Dividend(s) as Underlying(s) that, on or after the trade date of any Swap Agreement (i) due to the adoption of any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) or the combined effect thereof if occurring more than once, the Calculation Agent determines in good faith that it has become illegal for the Issuer, the Hedge Counterparty to hold, acquire or dispose of Hedge Positions (as defined in Part 2 – V.1 above) or to maintain any agreement entered into with the Hedge Counterparty by the Issuer of the Notes, relating to the Underlying of the Notes (the **Affected Underlying**).

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

- (A) consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In that case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (B) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector and which, in the case of an SGI Index, will be a Similar Index; or
- (C) apply the Monetisation to the Maturity Date (as defined above).

## PART 3 – CALCULATIONS – PHYSICAL DELIVERY

### I. Calculations – Calculation Agent

- (A) Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Equity Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Societe Generale of 17, cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.
- (B) Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Issuing and Paying Agent and the Noteholders pursuant to the provisions of Condition 19 (*Notices*) of the Terms and Conditions of the Notes of the relevant adjustment made or decision taken by the Calculation Agent. Details of such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

### II. Physical Delivery Notes

- (A) Unless otherwise specified in the applicable Final Terms, the Underlying used to determine the Physical Delivery Amount will be the Underlying(s) specified in the applicable Final Terms.
- (B) When the settlement of a Physical Delivery Note is by way of physical delivery, the delivery will be made through Clearstream, Luxembourg or Euroclear or other relevant clearance institution (a **Clearing System**). The Asset Transfer Notice will be delivered using the transfer procedures currently utilised by the relevant Clearing System. A Noteholder's entitlement to any Physical Delivery Amount will be

evidenced by the Noteholder's account balance appearing on the records of the relevant Clearing System.

(C) Additional terms applicable to the settlement of the Physical Delivery Amount:

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

(D) As used in this paragraph:

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

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

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

**(B) COMMODITIES TECHNICAL ANNEX**

The following commodities technical annex (the **Commodities Technical Annex**) will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***“The provisions of the Commodities Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Commodities Technical Annex and these Final Terms, these Final Terms shall prevail.”***

Terms used in this Commodities Technical Annex, unless specifically defined in this Commodities Technical Annex, shall have the same meanings as those set out in the Terms and Conditions of the Notes.

**PART 1 – DEFINITIONS**

**I. Commodity Reference Prices**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SM** for a date means the settlement price per metric ton of Soybean Meal on the CBOT of the First Nearby Month Futures Contract subject to Roll Adjustment 2 (unless otherwise provided for in the applicable Final Terms),



stated in USD, as determined and made public by the CBOT for that date (available on page "SMc1" for a First Nearby Month Futures Contract and "SMc2" for a Second Nearby Month Futures Contract of the Reuters Monitor Money Rates Service and on the relevant page of the Bloomberg terminal).

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

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

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

## II. Price Sources

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### III. Other Definitions

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

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

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

**Business Day** means a "Business Day" as defined in Condition 5(b)(i) of the Terms and Conditions of the Notes, as relevant, determined on the basis of the Specified Currency of the relevant Notes.

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

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

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

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

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

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

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

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

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

Nearby Month, Second Nearby Month etc. is specified in the Final Terms, the relevant Futures Contract will be respectively the first Futures Contract, the second Futures Contract etc. to expire on the relevant Valuation Date or Barrier Date.

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

**Hedge Counterparty** means any party with which the Issuer enters into one or any number of arrangements in order to hedge the Issuer's obligations to make any payment in respect of the Notes and may, for the avoidance of doubt, include Societe Generale and/or one of its affiliates.

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

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

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

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

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

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

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

- A. the failure by the relevant Price Source to make public the relevant price for a Valuation Date or, with respect to a Barrier Date, the failure of such relevant Price Source to make public the relevant price by 8:30 am New York time on the next following Business Day in London and/or New York, as applicable, or the temporary or permanent discontinuance or unavailability of the Price Source; and/or

- B. the Trading Suspension or the Trading Limitation (whether by reason of movements in price reaching the limits of the Limit Price or otherwise) in the relevant Commodity on the relevant Exchange; provided however that, with respect to Barrier Dates only, the settlement price reaching the upper or lower limit of the Limit Price will not be considered as a Market Disruption Event.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### I. Commodity Business Day Adjustment

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

### II. Consequences of Market Disruption Events

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

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

- (c) If there is no Determination Day within a period of five Observation Business Days following the Valuation Date, then the prices for such Valuation Date shall be determined, in good faith, by the Calculation Agent on such fifth Observation Business Day, using:
  - (i) with respect to the Commodity or Commodities which are not affected by a Market Disruption Event on the fifth Observation Business Day, the relevant Commodity Reference Price for that fifth Observation Business Day and
  - (ii) with respect to the Commodity or Commodities which are affected by a Market Disruption Event on the fifth Observation Business Day, the fair market value of such Commodity or Commodities.
- B. Notwithstanding the foregoing, the prices for a Valuation Date shall be determined by the Calculation Agent at the latest on the fourth Business Day prior to the date of any payment to be made on the basis of determinations made for such Valuation Date. This Part 2-II shall not apply to a Barrier Date.

**III. Consequences of Extraordinary Events affecting the Commodities or Commodity Reference Prices**

If, in the determination of the Calculation Agent:

- A. the relevant Commodity Reference Price disappears or permanently discontinues or otherwise becomes unavailable; or
- B. at any time following the first Valuation Date, a material change in the formula or the calculation method for the relevant Commodity Reference Price occurs; or
- C. at any time following the first Valuation Date, a material change in the content, the composition or the constitution of the relevant Commodity occurs,

then the Calculation Agent will be entitled to either:

- Y. determine in good faith the fair market value of the relevant Commodity for the relevant Valuation Date or Barrier Date; or
- Z. replace, to the extent possible, the affected Commodity Reference Price with a similar price.

If the Calculation Agent does not make a determination in accordance with Y above and if in the determination of the Calculation Agent, no price meets the criteria to be an appropriate replacement price in accordance with Z above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

**IV. Consequences of adjustment events affecting the Commodity Reference Price**

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

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

**I. Index Business Day Adjustment**

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

the fair market level of the Index or Indices for which that fourth Business Day is not an Index Business Day.

## II. Consequences of Index Disruption Events

A. If a Valuation Date specified in the Final Terms is subject to an Index Disruption Event for an Index and any Underlying Index, as applicable, the level of such Index or Underlying Index shall be determined by the Calculation Agent in good faith in accordance with the formula and calculation method for that Index and Underlying Index, as applicable, last in effect prior to the occurrence of the first Index Disruption Event (subject to determination deadline provisions in B below), using:

- (a) with respect to each commodity comprised in the Index or any Underlying Index for which no Relevant Futures Contract is affected by an Index Disruption Event, its settlement price as determined and made public by the relevant Exchange for the Valuation Date; and
- (b) with respect to each commodity comprised in the Index or any Underlying Index for which one or more Relevant Futures Contract is affected by an Index Disruption Event:
  - (i) the settlement price of Relevant Futures Contracts related to such commodity as determined and made public by the relevant Exchange on the Valuation Date or retrospectively within five Observation Business Days from and including the relevant Valuation Date;
  - (ii) if the settlement price is not determined as per (i) above or is a Limit Price, the settlement price of all Relevant Futures Contract related to such commodity published by the relevant Exchange for the next Commodity Business Day with respect to all Relevant Futures Contracts and on which the Index Disruption Event ceases to exist; or
  - (iii) if the settlement price of one or more Relevant Futures Contracts is not determined as per (i) or (ii) above, the fair market value of all Relevant Futures Contracts on that fifth Observation Business Day.

B. Notwithstanding the foregoing, the date on which the value of a Commodity comprised in the Index and the level of Index are determined shall occur not later than the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such date.

## III. Consequences of Extraordinary Events and adjustments to Indices

A. If an Index is:

- (a) not calculated and made public by the relevant Index Sponsor but is calculated and made public by a relevant successor sponsor (the **Successor Sponsor**) acceptable to the Calculation Agent; or
- (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index,

then the Index will be deemed to be the index so calculated and made public by the relevant Successor Sponsor or that successor index (as the case may be).

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

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

then the Calculation Agent will be entitled to either:

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

If the Calculation Agent does not make a calculation in accordance with (Y) above and if, in the determination of the Calculation Agent, no index meets the criteria to be an appropriate replacement index in accordance with (Z) above, then the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the event giving rise to the relevant adjustment, an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes.

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

**Change in Law** means, with respect to Notes that have one or more Commodity(ies) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the first Valuation Date of the Notes, due to:

- A. the adoption of, or any change in, any applicable law (including without limitation, any Commodity Futures Trading Commission or tax law) or any regulation, rule or procedure of any exchange or principal trading market on which a Commodity or any component thereof is traded (together the **Applicable Regulation**); or
- B. the promulgation of, or any change in the published interpretation by any court, tribunal or regulatory authority with competent jurisdiction or supervisory duty, of any Applicable Regulation (including any action taken by a taxing authority),

the Calculation Agent determines in good faith that:

- Y. it has become illegal or contrary to any Applicable Regulation for the Hedge Counterparty to (a) hold, acquire or dispose of any Hedge Position (as defined below) or (b) maintain the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or to perform its obligations or exercise its rights thereunder; or
- Z. the Hedge Counterparty incurs or there is a substantial likelihood that the Hedge Counterparty will incur increased costs, fees or charges in (a) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position or (b) maintaining any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes or performing its obligations thereunder.



**Hedging Disruption** means, with respect to Notes that have one or more Commodity(ies) or one or more Indice(s) as Underlying(s), that, as determined in good faith by the Calculation Agent, the Hedge Counterparty is unable, after using commercially reasonable efforts, to either:

- A. acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position; or
- B. freely realise, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Position or any agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

For the purpose hereof, **Hedge Position** means one or more positions in or contracts related to commodities, over-the-counter or exchange-traded commodity derivative transactions, foreign exchange transactions or other instruments or arrangements (howsoever described) necessary to hedge, individually or on a portfolio basis or otherwise, the risks of the Hedge Counterparty of (a) issuing and performing any of the obligations with respect to the Notes or (b) entering into and performing the obligations under the agreement entered into with the Issuer in relation to the Notes or the Underlying(s) of the Notes.

Upon the occurrence, as determined by the Calculation Agent in good faith, of a Hedging Disruption or a Change in Law (the relevant Commodity(ies) as Underlying being the **Affected Underlying**), the Calculation Agent may:

- X. consider such event as an event triggering an early redemption of the Notes (hereafter, an Early Redemption Event). In that case, where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount based on the Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- Y. replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

#### **PART 5 - CALCULATIONS BY THE CALCULATION AGENT**

- A. Unless otherwise specified in the applicable Final Terms, and with respect to Notes to which this Commodities Technical Annex applies, the Calculation Agent responsible for determining the Commodity Reference Price and calculating the Rate of Interest, the Final Redemption Amount, interest payable and the Early Redemption Amount shall be Societe Generale of 17, cours Valmy, 92987 Paris La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Issuing and Paying Agent and the Noteholders, in the absence of manifest error or proven error.
- B. Following the occurrence of an event giving rise to an adjustment which is substantial in the opinion of the Calculation Agent or of an extraordinary event affecting an Underlying in respect of this Commodities Technical Annex, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Issuing and Paying Agent and the Noteholders, pursuant to the provisions of Condition 19 (*Notices*) of the Terms and Conditions of the Notes and Uncertificated Notes, of the relevant adjustment made or decision taken by the Calculation Agent. Details of such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

(C) FUND TECHNICAL ANNEX

The following fund technical annex (the **Fund Technical Annex**) will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***“The provisions of the Fund Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Fund Technical Annex and these Final Terms, these Final Terms shall prevail.”***

Terms used in this Fund Technical Annex, unless specifically defined herein, shall have the same meanings as those set out in the Terms and Conditions of the Notes.

**PART 1 – DEFINITIONS SPECIFIC TO FUNDS**

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

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

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

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

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

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

**Business Day** means a “Business Day” as defined in Condition 5(b)(i) of the Terms and Conditions of the Notes, determined on the basis of the Specified Currency of the relevant Notes.

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

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

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

**Hedge Counterparty** means any party with which the Issuer enters into one or any number of arrangements in order to hedge the Issuer's obligations to make any payment in respect of the Notes and may, for the avoidance of doubt, include Societe Generale and/or one of its affiliates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Valuation Date** means, in respect of the Fund (or, in the case of a Basket of Funds, in respect of each Fund observed separately), each date specified as such in the applicable Final Terms or if, for a Fund, such date is not a Fund Business Day or a Fund Valuation Day (as the case may be), the next following Fund Business Day or Fund Valuation Day for such Fund (the **Scheduled Valuation Date**), unless such day is a Disrupted Day in which case the Valuation Date shall be determined in accordance with the provisions of "*Disruption Events relating to any Fund and/or any Fund Unit*" in Part 2 – III below. Any Initial Valuation Date, Final Valuation Date, Annual Valuation Date, Quarterly Valuation Date, Monthly Valuation Date or Weekly Valuation Date specified in the Final Terms shall be deemed to be a Valuation Date for the purposes of this Fund Technical Annex.

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

### **I. Adjustments**

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

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

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

## II. Extraordinary Events relating to any Fund and/or any Fund Unit

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

- (A) **Change in Law** means that (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law or regulation in respect of tax, solvency or capital requirements) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) or the combined effect thereof if occurring more than once, the Calculation Agent determines in good faith that (x) it has become illegal for a Hypothetical Investor to hold, acquire or dispose of the Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions, as the case may be (including the relevant Fund Units) or it has become illegal to maintain the agreement entered into by the Hedge Counterparty with the Fund or a Fund Service Provider mentioned in "*Breach or Termination of Agreement*" in (B) below or (y) the Hedge Counterparty or the Issuer will incur a materially increased cost in performing its obligations under any agreement entered into by such person with the Fund or the Fund Service Provider mentioned in "*Breach or Termination of Agreement*" in (B) below (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);
- (B) **Breach or Termination of Agreement** means any failure by the Fund or a Fund Service Provider, as the case may be, to comply with or perform any agreement entered into by the Fund or a Fund Service Provider with the Hedge Counterparty, defining the terms and conditions on which the Hedge Counterparty may make subscriptions and/or redemptions in the Fund Units (as the case may be, different from the subscriptions and redemptions terms then prevailing pursuant to the Fund Documents), including, as the case may be, the rebates of management fees to be paid to the Hedge Counterparty, the termination of such agreement by the Fund or a Fund Service Provider for reasons beyond the control of the Hedge Counterparty or the failing or ceasing of such agreement to be in full force and effect or the Fund or the Fund Service Provider disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such agreement;
- (C) **Closure of the Fund** means liquidation, winding-up or dissolution of the Fund for any reason other than those mentioned in (F) or (K) below;

- (D) **Fund Adviser Event** means that the Calculation Agent determines that over a period of 12 months, the total value of the assets managed by the Fund Adviser (including the Fund) has decreased by 50 per cent. (either due to redemptions or the decrease in value of such assets);
- (E) **Fund Hedging Disruption** means that a Hypothetical Investor is unable or it is impractical for a Hypothetical Investor, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions as applicable or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions, without limitation, where such inability or impracticability has arisen by reason of (i) the transfer of all illiquid assets of the Fund being all or part of the Intermediate and/or Optional Hypothetical Hedge Positions (if applicable) to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (ii) the restriction on the amount or number of redemptions or subscriptions that the Fund (or the Fund Service Provider generally in charge of accepting the redemption or subscriptions orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (iii) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting the subscription and redemption orders), (iv) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), or increase in charges or fees imposed by the relevant Fund or (v) any mandatory redemption, in whole or in part, of such Fund Unit imposed by the relevant Fund, in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date;
- (F) **Fund Insolvency Event** means, in respect of any Fund Unit, that the related Fund (a) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (b) makes a general assignment or arrangement with or for the benefit of its creditors; (c) (i) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (e) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) through (f) above;
- (G) **Fund Modification** means any change or modification of the related Fund Documents prevailing on the Issue Date of the Notes, that could reasonably be expected to affect the value of such Fund Unit or the rights or remedies of any holders thereof (including but not limited to an open-end fund that becomes a closed-end fund), as determined by the Calculation Agent;

- (H) **Fund Service Provider Event** means (a) a change, resignation, termination or replacement of any Fund Service Provider, (b) a change of control or indirect control of any Fund Service Provider, (c) any of the Fund Service Provider is subject to a Fund Service Provider Insolvency Event, where **Fund Service Provider Insolvency Event** has the same meaning as Fund Insolvency Event described in (F) above, except that Fund is replaced by Fund Service Provider or (d) in the reasonable opinion of the Calculation Agent, any of the Fund Service Providers is no longer deemed able to carry out its business with the standard of care which was prevailing on the Issue Date or the resignation, termination, replacement, or death of any person deemed to be key in the management of the Fund has occurred;
- (I) **Holding Ratio** means the reduction of the Fund's aggregate net asset value under an amount that, in the reasonable opinion of the Calculation Agent, has, or is likely to have, a significant effect on the management conditions of the Fund and/or its operating expenses or would increase the proportion of Fund Units held, or likely to be held, by a Hypothetical Investor, or any funds managed by the Hedge Counterparty, to such extent that the full redemption in one single Valid Order of the Fund Units held by a Hypothetical Investor or funds managed by the same, is likely to be impaired;
- (J) **Increased Cost of Hedging** means that a Hypothetical Investor would incur a materially increased (as compared with circumstances existing on the Issue Date of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions or (b) realise, recover or remit the proceeds of any such Hypothetical Hedge Positions or Intermediate Hypothetical Hedge Positions or Optional Hypothetical Hedge Positions, provided that assuming the Hypothetical Investor is the Hedge Counterparty, any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedge Counterparty shall not be deemed an Increased Cost of Hedging;
- (K) **Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (a) all the Fund Units of that Fund are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Fund Units of that Fund become legally prohibited from transferring or redeeming them;
- (L) **Liquidity Modification** means that the Fund modifies the terms and conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund as provided in the Fund Documents as of the Issue Date of the Notes or implements a modification of the conditions at which subscription and/or redemption orders can be submitted or are settled by the Fund regardless as to whether the principle of such modification was already envisaged in the Fund Documents as of the Issue Date of the Notes;
- (M) **Merger Event** means the conversion of the Fund Unit into another class of fund units or securities, or the split of the Fund, its consolidation or its merger with, or its sale or its conveyance of all or substantially all its assets to, a third party;
- (N) **Nationalisation** means that all the Fund Units or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (O) **Regulatory Action** means, with respect to any Fund Unit, (a) cancellation, suspension or revocation of the registration or approval of such Fund Unit or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Unit or Fund, (b) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Service Provider that is reasonably likely to have an adverse impact on the value of such Fund Unit or on any investor therein (as determined by the Calculation Agent), or (c) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund or Fund Service Provider;



- (P) **Reporting Disruption** means, in respect of any Fund Unit, any failure of the related Fund to deliver, or cause to be delivered, (a) information that such Fund has agreed to deliver, or cause to be delivered to a Hypothetical Investor or (b) information that has been previously delivered to a Hypothetical Investor in accordance with such Fund, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Units;
- (Q) **Strategy Breach** means (a) any breach or violation of any strategy or investment guidelines stated in the related Fund Documents, that is reasonably likely to affect the value of the Fund Units or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent or (b) any material modification, as determined by the Calculation Agent, of the risk profile of the Fund from its risk profile prevailing on the Issue Date of the Notes by reason of, but not limited to, the modification of the proportions, or reduction of diversification, of the type of assets in which the Fund invests or a reduction of the average liquidity of the assets of the Fund,

then the Calculation Agent may:

- (X) consider such Extraordinary Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (Y) in the case of (M) above only, replace the Fund Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Fund Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Fund Unit and make any adjustment (if necessary) to the value of such Fund Unit; or
- (Z) determine that the Issuer will apply one of the following methods:
- (a) **Monetisation to the Maturity Date**
- (i) in respect of the Intermediate Amount(s), and the Issuer shall no longer be liable for the payment, on any Intermediate Payment Date following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:
- (1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a

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

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

and/or

- (ii) in respect of the Final Redemption Amount and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
- (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Hypothetical Hedge Positions) minus (b) the Associated Costs

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

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

or

- (b) **Postponement to the Adjusted Intermediate Payment Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date(s) following the occurrence of the Extraordinary Event, of the Intermediate Amount(s) initially scheduled to be paid on such Intermediate Payment Date(s), but instead will, in full and final satisfaction of its obligations:
- (i) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the

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

- (ii) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms will in all circumstances be a positive amount (the **Minimum Intermediate Amount**), pay (a) on the Intermediate Payment Date an amount per Note equal to the Minimum Intermediate Amount and (b) on the Adjusted Intermediate Payment Date an amount per Note, determined by the Calculation Agent, equal to the positive difference, if any, between (i) (1) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Intermediate Hypothetical Hedge Positions) minus (2) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Intermediate Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision) and (ii) an amount equal to the Minimum Intermediate Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Intermediate Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under its Intermediate Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero;

or

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

### III. Disruption Events relating to any Fund and/or any Fund Unit

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

- (A) **Calculation and/or Publication Disruption** means the occurrence of an event, beyond the control of a Hypothetical Investor (including in case of any gate, deferral, suspension or other provisions in the Fund Documents permitting the Fund to delay or refuse subscription and/or redemption orders) which precludes the calculation and/or publication of the official net asset value per Fund Unit of the Fund by the Fund (or the Fund Service Provider generally in charge of calculating such official net asset value); or
- (B) **Fund Settlement Disruption** means a failure by the Fund to pay in cash the full amount of the redemption proceeds on the date by which the Fund was scheduled to have paid such amount and which, in the determination of the Calculation Agent, makes it impossible or impracticable for the

Calculation Agent to determine the Closing Price, including without limitation due to (a) the transfer of all illiquid assets of such Fund to a dedicated fund, account or structure pending the liquidation of such assets for the benefit of existing holders of the Fund Units (side pocket), (b) the restriction on the amount or number of redemption orders that the Fund (or the Fund Service Provider generally in charge of accepting redemption orders) will accept in relation to a single date on which the Fund normally accepts redemption orders (a gate), (c) the suspension for any reason of the subscription or redemption orders by the Fund (or the Fund Service Provider generally in charge of accepting subscription and redemption orders) or (d) the postponement of the payment of the balance of redemption proceeds to a date occurring after the financial statements of the Fund have been reviewed by the Fund's statutory auditors (holdback), in each case whether these events are imposed by the Fund without being envisaged in the Fund Documents on the Issue Date of the Notes or are already envisaged by the Fund Documents on the Issue Date of the Notes and are solely implemented by the Fund after such date; or

- (C) **NAV Determination Disruption Event** means the occurrence of any event (beyond the control of a Hypothetical Investor) other than the events mentioned in "*Calculation and/or Publication Disruption*" in (A) above or "*Fund Settlement Disruption*" in (B) above affecting such Fund which, in the determination of the Calculation Agent, makes it impossible or impracticable for the Calculation Agent to determine the Closing Price,

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

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

- (A) determine its good faith estimate of the net asset value per Fund Unit of such Fund which shall be deemed to be the Closing Price in respect of such Valuation Date, provided that if the Calculation Agent decides to make such determination, the Valuation Date shall occur no later than the fourth Business Day before the date of any payment to be made under the Notes on the basis of such determination; or
- (B) consider such Disruption Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (C) determine that the Issuer will apply one of the following methods:
- (i) In respect of the Intermediate Amount,
- (1) the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Intermediate Payment Date related to the Disrupted Day, of the Intermediate Amount initially scheduled to be paid on such Intermediate Payment Date, but instead will, in full and final satisfaction of its obligations:
- (1.1) in respect of the payment of the Intermediate Amount as defined in the applicable Final Terms which could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date, as a result of liquidating, pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Disrupted Day, the Intermediate Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Intermediate Hypothetical

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

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

or

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

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

and/or

- (ii) in respect of the Final Redemption Amount, the **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
- (1) in respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an

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

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

or

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

Notwithstanding the foregoing, in respect of any Notes, a Valuation Date (postponed as the case may be pursuant to the provisions above) shall occur not later than the fourth Business Day before the date of any



payment to be made under the Notes on the basis of determinations made on such Valuation Date; if a Valuation Date (postponed as the case may be pursuant to the provisions above) would fall after the fourth Business Day prior to the date of any payment to be made under the Notes on the basis of determinations made on such Valuation Date, then that fourth Business Day shall be deemed the Valuation Date and the Calculation Agent shall make, on that day the determinations described in (X) above at the latest as of the Valuation Time on such fourth Business Day and the good faith estimate of the net asset value of the Fund so calculated shall be deemed the Closing Price.

#### IV. Occurrence of an Extraordinary Event or a Disruption Event in relation to an optional redemption

If “Redemption at the option of the Noteholders” or “Issuer’s optional redemption” is specified as being applicable in the Final Terms of the relevant Notes:

- (A) Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, the Put Notice or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling after the date of such occurrence shall be null and void.
- (B) Upon the occurrence or likely occurrence of an Extraordinary Event or a Disruption Event, with respect to Put Notices or the exercise by the Issuer of its right of optional redemption relating to an Optional Redemption Date with an Optional Redemption Cut-Off Date falling on or before the date of such occurrence, the Calculation Agent will determine which one of the following methods the Issuer will apply:
  - (a) **Early Redemption Event** and the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
  - (b) **Monetisation to the Maturity Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:
    - (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Disruption Event), the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Optional Full Liquidation Date (included) and (y) the fourth Business Day preceding the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such Hypothetical Investor under

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

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

or

- (c) **Postponement to the Adjusted Optional Redemption Date** and the Issuer shall no longer be liable for the payment, on the Optional Redemption Date, of the Optional Redemption Amount, but instead will, in full and final satisfaction of its obligations:

- (i) in respect of the redemption of Notes whose Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Optional Redemption Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Optional Redemption Date in case of a Disruption Event) the Optional Hypothetical Hedge Positions (*inter alia* by satisfying any obligations or liabilities in place with respect to or part of such Optional Hypothetical Hedge Positions, if any, with the liquidation proceeds of the assets of the Optional Hypothetical Hedge Positions) minus (b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the Optional Full Liquidation Date is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by a Hypothetical Investor as Optional Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by such

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

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

#### V. Maturity Disruption Event relating to any Fund and/or any Fund Unit

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

- (A) the Issuer shall consider such Maturity Disruption Event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes; or
- (B) the Maturity Date of the Notes shall be postponed to the Adjusted Maturity Date; and
- (C) the Issuer shall no longer be liable for the payment, on the Maturity Date, of the Intermediate Amount and/or Optional Redemption Amount and/or Final Redemption Amount as defined in the applicable Final Terms, but instead will, in full and final satisfaction of its obligations:
  - (a) in respect of the Intermediate Amount and/or Optional Redemption Amount,
    - (i) in respect of the redemption of Notes whose Intermediate Amount and/or Optional Redemption Amount as defined in the applicable Final Terms could be as low as zero, pay on the Adjusted Maturity Date an amount per Note, determined by the Calculation Agent, based on (a) the net positive cash amount that a Hypothetical Investor would be left with on the Intermediate Full Liquidation Date and/or the Optional Full Liquidation Date, as a result of liquidating (either within 30 Business Days following the date of occurrence or likely occurrence of the Extraordinary Event that gives rise to the Maturity Disruption Event or pursuant to a Valid Order submitted in accordance with the Applicable Method specified in respect of the Valuation Date relating to the Intermediate Payment Date and/or the Optional Redemption Date in case of a

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

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

and/or

- (b) In respect of the Final Redemption Amount,

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

(b) the Associated Costs (the result of which, converted if necessary into the Specified Currency using the Relevant Spot Exchange Rate on the fourth Business Day preceding the Postponed Scheduled Maturity Date, is a **Calculation Amount** for the purposes of this provision); for the avoidance of doubt, the liquidation proceeds of any assets held by the Hypothetical Investor under its Hypothetical Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Hypothetical Investor under its Hypothetical Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

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

#### **I. Calculations - Calculation Agent**

- (A) Unless otherwise specified in the applicable Final Terms, and in respect of Notes to which this Fund Technical Annex applies, the Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Physical Delivery Amount and/or the Early Redemption Amount shall be Societe Generale of 17, cours Valmy, 92987 Paris-La Défense Cedex, France. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor (if applicable), the Agent and the Noteholders, in the absence of manifest error or proven error.
- (B) Following the occurrence of an event giving rise to an Adjustment which is substantial in the opinion of the Calculation Agent or of an Extraordinary Event affecting an Underlying, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Issuing and Paying Agent and the Noteholders pursuant to the provisions of Condition 19 (*Notices*) of the Terms and Conditions of the Notes of the relevant adjustment made or decision taken by the Calculation Agent. Details of such adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

#### **II. Physical Delivery Notes**

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

determined by the Calculation Agent on the basis of the market conditions on the first Business Day following the Delivery Period.

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

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

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

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

**(D) CREDIT TECHNICAL ANNEX**

The following credit technical annex (the **Credit Technical Annex**) will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***“The provisions of the Credit Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Credit Technical Annex and these Final Terms, these Final Terms shall prevail.”***

Terms used in this Credit Technical Annex, unless specifically defined in this Credit Technical Annex, shall have the same meanings as those set out in the Terms and Conditions of the Notes.

**PART 1 - CREDIT EVENT PROVISIONS**

Capitalised terms used but not defined in this Part 1 shall have the meanings given to them in Part 2 of this Credit Technical Annex save to the extent it is supplemented or modified in the related Final Terms.

**I. PHYSICAL SETTLEMENT**

***If the Notes are Single Name Notes or First-to-Default Notes and the Settlement Method specified in the related Final Terms is Physical Settlement***

**(1) Physical Settlement**

(1.1) If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders' information, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, Deliver or procure Delivery of the Physical Delivery Amount to the Noteholders during the Physical Settlement Period, subject to the next following paragraph and the cash settlement provisions hereafter and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be as specified in Section III below.

The Delivery of the Specified Deliverable Obligations (or the payment of the Cash Redemption Amount as the case may be) is subject to the prior delivery by or on behalf of the Issuer to the Relevant Clearing System for the Noteholders' information, of a Notice of Physical Settlement between the Credit Event Determination Date and the Latest Notification Date (both dates inclusive).

(1.2) Following the occurrence of a Credit Event with respect to a Reference Entity, the Issuer has sole and absolute discretion to select the Specified Deliverable Obligations.

(1.3) The Issuer will not necessarily Deliver all the Specified Deliverable Obligations on the same date and may Deliver Specified Deliverable Obligations to different Noteholders on different dates or to the same Noteholder on different dates.

(1.4) The Issuer is not obliged to Deliver the same type and proportion of Deliverable Obligations to each Noteholder and a Noteholder may receive various types of Deliverable Obligations.

(1.5) If any or all of the Specified Deliverable Obligations are not eligible for clearance by the Relevant Clearing System, then the Issuer may, at its discretion but upon prior notice to the Noteholders, arrange:

(i) Delivery of those Specified Deliverable Obligations, if any, that are eligible for clearance by the Relevant Clearing System in the Relevant Clearing System and Delivery of those Specified Deliverable Obligations that are not eligible for clearance by the Relevant Clearing System outside the Relevant Clearing System; or



- (ii) Delivery of all the Specified Deliverable Obligations (whether or not those Specified Deliverable Obligations are eligible for clearance) outside the Relevant Clearing System.

The Relevant Clearing System will then be instructed to block and, upon confirmation by the Issuer that delivery has taken place, cancel the Noteholders' positions in its books and the Issuing and Paying Agent in turn will cancel the outstanding Notes. If Delivery is to take place outside the Relevant Clearing System, the Issuer must receive the relevant Noteholders' transfer instructions in terms that are satisfactory to the Issuer sufficiently before the Latest Permissible Physical Settlement Date to allow for physical settlement, otherwise the cash settlement provisions set out below will apply.

## **(2) Cash Settlement**

- (2.1) If, on the Latest Permissible Physical Settlement Date, the Calculation Agent (acting on behalf of the Issuer) determines that it is Illegal or Impossible for the Issuer to Deliver all or part of the Specified Deliverable Obligations to all or some of the Noteholders or if the Issuer does not receive transfer instructions as described in the last sentence of Part 1 - 1.1.5 above, then the Calculation Agent will calculate in respect of such part of the Specified Deliverable Obligations which are Undeliverable Obligations a Cash Redemption Amount and the Issuer will, on the Cash Redemption Date, pay or procure payment of a Cash Redemption Amount to the relevant Noteholders in final and full satisfaction of its obligations in respect of the Undeliverable Obligations.
- (2.2) The Issuer must notify the relevant Noteholders through the Relevant Clearing System that there are Undeliverable Obligations and the reasons why it is Illegal or Impossible to Deliver such Specified Deliverable Obligations.
- (2.3) If, before the Latest Permissible Physical Settlement Date, the Calculation Agent determines that the Delivery of all of the Specified Deliverable Obligations is Illegal or Impossible and it deems in good faith that such Delivery is to remain Illegal or Impossible until the Latest Permissible Physical Settlement Date, then the Calculation Agent may give notice thereof to the Relevant Clearing System for the attention of the Noteholders. The Credit Valuation Date will then be the date that is two Business Days after the date on which the Calculation Agent delivers such notice to the Relevant Clearing System and the Issuer will pay the Noteholders a Cash Redemption Amount on the Cash Redemption Date in full and final satisfaction of its obligations in respect of the Undeliverable Obligations.
- (2.4) If Delivery is partially Illegal or Impossible, the Issuer may, for each Noteholder, Deliver Specified Deliverable Obligations and pay a Cash Redemption Amount. The Issuer is not obliged to ensure that each Noteholder receives the same type and proportion of Deliverable Obligations and the same proportion of Deliverable Obligations and Cash Redemption Amount as each other Noteholder.
- (2.5) If clause 2.1 or clause 2.3 of this Part 1 applies, the Issuer may arrange that all settlements hereunder be made outside the Relevant Clearing System in the manner described in Part 1-1.1.5 above, provided that the Issuer receives transfer instructions in terms that are satisfactory to the Issuer to allow for such settlements.
- (2.6) The Calculation Agent will inform the Noteholders via the Relevant Clearing System of the Cash Redemption Amount by sending a Final Valuation Notice.

## **II. CASH SETTLEMENT**

### ***If the Settlement Method specified in the related Final Terms is Cash Settlement***

- (1) If a Credit Event has occurred, as determined by the Calculation Agent, in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Noteholders, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, pay or procure payment of the Cash Redemption Amount on

the Cash Redemption Date (subject as specified in paragraph 2 below) and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be as specified in Section III below. The Selected Obligations, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Noteholders in the Final Valuation Notice on the Final Valuation Notice Receipt Date.

- (2) In the case of Basket Notes or Tranche Notes, if an Unsettled Credit Event has occurred, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.
- (3) For the avoidance of doubt, under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

### C. PROVISIONS RELATING TO INTEREST

**Interest Period** means each period from and including an Interest Payment Date to but excluding the next Interest Payment Date, *provided however* that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Part 1.

#### (1) Single Name Notes and First-to-Default Notes

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the Credit Event Determination Date, and the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.
- (b) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the period from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or from and including the Interest Commencement Date in the case of a Credit Event occurring before the first Interest Payment Date) to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the earlier of the Interest Payment Date following the fourth Business Day falling after the Credit Event Determination Date and the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (c) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from and including the Interest

Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.

- (d) *If (i) the Accrual of Interest upon Credit Event option specified is No Accrued Interest upon Credit Event and (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms:* The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Credit Event Determination Date and (ii) the Scheduled Maturity Date.

Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, the last Interest Payment Date shall be the Scheduled Maturity Date.

Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the last Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Interest Payment Date preceding the Credit Event Determination Date (or the Interest Commencement Date in case of a Credit Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date. In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (e) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the Credit Event Determination Date, and the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date.

- (f) *If (i) the Accrual of Interest upon Credit Event option specified is Accrued Interest upon Credit Event, (ii) Repudiation /Moratorium or Grace Period Extension are specified as Applicable in the related Final Terms and (iii) there is only one Interest Period:* The Interest Period will be the period from and including the Interest Commencement Date to but excluding the earlier of (a) the Credit Event Determination Date and (b) the Scheduled Maturity Date.

In such event, the last Interest Payment Date will be the Maturity Date. Provided that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the fourth Business Day prior to the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, in which case, the Interest Payment Date shall be the Scheduled Maturity Date. Provided further that, if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the fourth Business Day prior to the Scheduled Maturity Date and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the fourth Business Day prior to the Scheduled Maturity Date, the Interest Payment Date shall be the Scheduled Maturity Date.

No interest shall accrue nor be payable from and including the Credit Event Determination Date to the Maturity Date. In particular, in the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from and including the Scheduled Maturity Date to the Maturity Date.

- (g) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* No interest shall accrue nor be payable in respect of the Notes.

Only if European Settlement is specified in the related Final Terms:

- (h) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The last Interest Period will end on, but exclude, the earlier of the Scheduled Maturity Date or the Maturity Date and the interest shall accrue in respect of each Interest Period on the Aggregate Nominal Amount.

**(2) Basket Notes and Tranche Notes**

In the case of Basket Notes and Tranche Notes, the last (or if there is only one, the only) Interest Period will end on (but exclude) the Scheduled Maturity Date and the Interest Calculation Amount will be as specified below.

- (a) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be calculated on the fourth Business Day preceding the relevant Interest Payment Date and be an amount equal to (i) the sum, for each day of such Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in such Interest Period.
- (b) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event:* In respect of each Interest Period, the Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the relevant Interest Payment Date.
- (c) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Interest Payment Date equal to (i) the sum, for each day of the Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in the Interest Period.
- (d) *If (i) the Accrual of Interest upon Credit Event option specified in the related Final Terms is No Accrued Interest upon Credit Event and (ii) there is only one Interest Period:* The Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the Interest Payment Date.

Only if European Settlement is specified in the related Final Terms:

- (e) *If the Accrual of Interest upon Credit Event option specified in the related Final Terms is Guaranteed Coupon:* The Interest Calculation Amount will be the Daily Interest Calculation Amount as at the Issue Date.

For the avoidance of doubt, except in the case of a Guaranteed Coupon, if a Notice of Pending Credit Event is delivered to the Noteholders, payment of interest on the Notes, or, in the case of Basket Notes or Tranche Notes, on the portion of the Interest Calculation Amount relating to the relevant Reference Entity, will be deferred until:

- (i) if a Credit Event Notice is delivered in relation to the relevant event, the Maturity Date, or in the case of Basket Notes or Tranche Notes, the Scheduled Maturity Date or the Maturity Date, as the case may be; or
- (ii) the date that is 10 Business Days following the publication of a DC No Credit Event Announcement;
- (iii) if no DC No Credit Event Announcement is published and no Credit Event Notice is delivered in relation to the relevant event, the date that is 110 Business Days following the Credit Event Resolution Request Date (all as defined in Part 2 *Definitions* below).

For the avoidance of doubt, (x) should a Credit Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been given in respect of interest payable with respect to such Interest Period, then the Issuer may deduct from the Cash Redemption Amount or the Physical Delivery Amount, as the case may be, the amount of overpaid

interest; and (y) if payment of interest is deferred following the delivery of a Notice of Pending Credit Event, no additional interest will be payable on the Suspended Amounts for the period of the deferral.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes (all as defined in Part 2 *Definitions* below), the provisions relating to interest will be specified in the related Final Terms.

#### IV. CREDIT EVENT NOTICE AFTER RESTRUCTURING

Upon the occurrence of a Restructuring in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date if either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms:

##### (1) Single Name Notes and First-to-Default Notes

*If American Settlement is specified in the related Final Terms:*

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the Partial Redemption Amount) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of section I or section II to this Part 1 shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount);
- (b) for the avoidance of doubt (i) the Nominal Amount of each such Note not so redeemed in part shall remain outstanding and, if applicable, interest shall accrue on the Nominal Amount outstanding of such Note as provided in the related Final Terms (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of section I or section II to this Part 1 shall apply to such Nominal Amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity; and
- (c) on redemption of part of each Note the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.

For the avoidance of doubt, the outstanding Nominal Amount of each Note in respect of which no Credit Event Notice has been delivered during the Notice Delivery Period (and, if applicable, no Potential Repudiation/Moratorium or Potential Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date), will be redeemed on the Scheduled Maturity Date.

*If European Settlement is specified in the related Final Terms:*

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Redemption Amount**) that is less than the Nominal Amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of section I or section II to this Part 1 shall apply to the Partial Redemption Amount; and
- (b) for the avoidance of doubt the provisions of section I or section II to this Part 1 shall apply to the Nominal Amount of each Note outstanding after reduction by such Partial Redemption Amount in the event that subsequent Credit Event Notices are delivered in respect of a Reference Entity.

##### (2) Basket Notes and Tranche Notes

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the **Partial Restructuring Notional Amount**) that is less than the Reference Entity Notional Amount of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of section II to this Part 1

shall apply to the Partial Restructuring Notional Amount instead of the Reference Entity Notional Amount; and

- (b) for the avoidance of doubt, following such Restructuring, the provisions of this Credit Technical Annex shall apply in respect of the relevant Reference Entity with such Reference Entity's Reference Entity Notional Amount being reduced by the Partial Restructuring Notional Amount. In the event of the occurrence of further Restructurings with respect to such Reference Entity, the relevant Reference Entity Notional Amount will be further reduced by the relevant Partial Restructuring Notional Amount.

#### **E. MULTIPLE SUCCESSORS**

*If the Notes are Single Name Notes and if Multiple Successor is specified as Applicable in the related Final Terms the following shall apply:*

Where, pursuant to the definition of **Successor** (see Part 2 of this Credit Technical Annex), more than one Successor has been identified, each such Successor (a **Multiple Successor**) shall be a Reference Entity for the purposes of the Conditions, but only in respect of a principal amount of each Note equal to the Nominal Amount divided by the number of Multiple Successors to such Reference Entity (the **Multiple Successor Notional Amount**) as determined by the Calculation Agent. Where Multiple Successors to such Reference Entity (each, a **Sub-Multiple Successor**) have been identified in respect of a Reference Entity (an **Original Multiple Successor**) that is itself a Multiple Successor, each such Sub-Multiple Successor shall be a Reference Entity for the purposes of the Conditions, but the Multiple Successor Notional Amount in respect of a Sub-Multiple Successor shall be equal to the Multiple Successor Notional Amount in respect of such Original Multiple Successor divided by the number of Sub-Multiple Successors to such Original Multiple Successor. Following the delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information, in respect of a Multiple Successor, the Notes will not be redeemed in whole but an amount shall be deliverable or, as the case may be, payable in respect of each Note (an **Instalment Amount**) which amount shall be determined in the same manner, *mutatis mutandis*, as the Physical Delivery Amount or Cash Redemption Amount that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity, except that it shall be in respect of a principal amount of each Note equal to the relevant Multiple Successor Notional Amount only. The date of delivery or payment, as the case may be, of any such Instalment Amount (an **Instalment Date**) shall be determined in the same manner, *mutatis mutandis*, as the Physical Settlement Date or Cash Redemption Date that would otherwise have been determined in respect of such a Credit Event in relation to the original Reference Entity. More than one Instalment Amount may be delivered or payable on the same day in respect of different Multiple Successors, but not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor unless a Restructuring occurs in relation to a Multiple Successor, in which case the provisions of Section IV of this Part 1 will apply in respect of each such Multiple Successor. Upon the determination by the Calculation Agent of the identity of Multiple Successors, the Calculation Agent shall determine the modifications required to be made to the Conditions and any other related documents, to preserve substantially the economic effect for a Noteholder of a holding of the Notes and the Issuer shall use its reasonable endeavours to effect such modifications.

*If American Settlement is specified as Applicable in the related Final Terms:*

Following delivery or payment of an Instalment Amount in respect of a Credit Event relating to a Multiple Successor, the outstanding Nominal Amount of each Note shall be correspondingly reduced by the proportion of such principal amount so redeemed and, if applicable, interest on each Note shall accrue on the reduced Nominal Amount of each Note from the date on which it would otherwise have ceased to accrue following delivery of a Credit Event Notice and, if applicable a Notice of Publicly Available Information in relation to the original Reference Entity.

*If the Notes are Single Name Notes and if Multiple Successor is specified as Not Applicable in the related Final Terms the following provisions shall apply:*

Should more than one Successor succeed to the Reference Entity and a Credit Event occur in respect of any one of them, the Notes will be early redeemed in whole in accordance with the paragraph "Settlement Method", as if First-to-Default was specified as Applicable in the related Final Terms.

*For the avoidance of doubt, Section V of this Part 1 will not apply to First-to-Default Notes, Basket Notes and Tranche Notes.*

## **VI. NOTIFICATION OF POTENTIAL FAILURE TO PAY**

In the case of the occurrence of a Potential Failure to Pay, as determined by the Issuer in its sole and absolute discretion, the Issuer, or any entity acting on its behalf, shall use its reasonable endeavours to notify the Noteholders as soon as reasonably practical of such occurrence, pursuant to Condition 19 (*Notices*) of the Terms and Conditions of the Notes.

## **VII. PARTIAL REDEMPTION AND FURTHER ISSUES**

Following any partial redemption of the Notes (pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Notes) or any further issue (pursuant to Condition 17 (*Further Notes, Related Notes and Consolidation*) of the Terms and Conditions of the Notes), each of the following amounts will be multiplied by the ratio of (i) the number of Notes in circulation after such partial redemption or further issue divided by (ii) the number of Notes in circulation just before such partial redemption or further issue:

- (a) for Single Name Notes and First-to-Default Notes, the Aggregate Nominal Amount;
- (b) for Basket Notes which are not Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount and (iii) the Aggregate Loss Amount;
- (c) for Tranche Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount, (iii) the Aggregate Loss Amount, (iv) the Tranche Notional Amount and (v) the Tranche Subordination Amount.

## **VIII. HEDGING DISRUPTION, INCREASED COST OF HEDGING – CHANGE IN LAW AND CONSEQUENCES**

### **1 Hedging Disruption, Increased Cost of Hedging**

**Hedging Disruption** means, in respect of Notes that have one or more Reference Entity(ies), that, as determined in good faith by the Calculation Agent, the Hedge Counterparty is unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk (or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk) of the Issuer entering into and performing its obligations with respect to the Notes or any agreement entered into with the Hedge Counterparty by the Issuer of the Notes; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of any Hedge Positions or any agreement entered into with the Issuer or any of its affiliates in relation to the Notes.

**Increased Cost of Hedging** means, in respect of Notes that have one or more Reference Entity(ies), that Hedge Counterparty would incur a materially increased (as compared with circumstances existing on the date(s) on which the Hedge Counterparty enters into the Hedge Positions in respect of the Notes) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the credit price risk of entering into and performing its obligations with respect to the Notes or (b) freely realize, recover or remit the proceeds of its Hedge Positions.

## 2 Change in Law

**Change in Law** means in respect of Notes that have one or more Reference Entity(ies) as Underlying(s) that, on or after the first to occur of (a) the Issue Date and (b) the trade date of any Hedge Position (i) due to the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) or the combined effect thereof if occurring more than once, the Calculation Agent determines in good faith that it has become illegal for the Hedge Counterparty to hold, acquire or dispose of Hedge Positions (as defined in Part 1-VIII.3 below) or to maintain any agreement entered into with the Hedge Counterparty by the Issuer of the Notes relating to the Underlying of the Notes (the **Affected Underlying**).

## 3 Consequences

Upon the occurrence, as determined by the Calculation Agent in good faith, on or prior to the fifth Business Day before the Maturity Date, of a Hedging Disruption, an Increased Cost of Hedging or a Change in Law, then the Calculation Agent may decide with regard to the Affected Underlying in respect of such Hedging Disruption, Increased Cost of Hedging or Change in Law, either:

- A. consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes ; or
- B. if the Early Redemption Event is related to one or more affected Reference Entity(ies) (the **Affected Reference Entity(ies)**), replace the Affected Reference Entity(ies) by a new reference entity or new reference entities, as relevant, which is (respectively are each) a Similar Reference Entity ; or
- C. apply the Monetisation to the Maturity Date.

Following the occurrence of an Early Redemption Event, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Issuing and Paying Agent and the Noteholders pursuant to the provisions of Condition 19 (*Notices*) of the Terms and Conditions of the Notes of the relevant adjustment made or decision taken by the Calculation Agent. Details on any adjustment made or decision taken can be obtained by the Noteholders upon request at the Calculation Agent's specified address.

## 4 Monetisation to the Maturity Date

The Issuer will no longer be liable for any payment, on the Maturity Date or any Interest Payment Date, but instead will, in full and final satisfaction of its obligations:

- A. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms could be as low as zero, pay on the Maturity Date an amount per Note, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Hedge Counterparty would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded) ; for the avoidance of doubt, the liquidation proceeds of any assets held by the Hedge Counterparty as Hedge Positions shall be deemed to be used in priority to extinguish



any liability, if any, incurred by the Hedge Counterparty under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero; or

- B. in respect of the redemption of Notes whose Final Redemption Amount as defined in the Final Terms will in all circumstances be a positive amount (the **Minimum Redemption Amount**), pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between (i) (1) the net positive cash amount that the Hedge Counterparty would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (2) the Associated Costs (the result of this difference a minus b, each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (3) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded), and (ii) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Hedge Counterparty as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Calculation Agent under its Hedge Positions and the Calculation Amount mentioned above can be as low as zero.

Definitions applicable to this section:

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

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

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

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

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

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

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency shall be available at the office of the Calculation Agent from the first day of a Calculation Period; and

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

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

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Hedge Counterparty, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer's obligations in respect of the Notes.

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

**Similar Reference Entity** means a reference entity with an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available), and to the extent possible as secondary criteria geographic and Transaction Type proximity.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

## PART 2 - DEFINITIONS

*Legend:*

\*: delete if the Settlement Method specified in the related Final Terms is Physical Settlement

\*\* : delete if the Settlement Method specified in the related Final Terms is Cash Settlement

**Accreted Amount** means, with respect to an Accreting Obligation, an amount, determined by the Calculation Agent, to be equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in paragraph (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\*\* applicable Credit Valuation Date[, as the case may be]\*. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then for purposes of paragraph (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such Obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the [Physical Settlement Date or]\* applicable Credit Valuation Date [, as the case may be]\*. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Accreting Obligation** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis)

that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index or (b) periodic cash interest is also payable. With respect to any Accreting Obligation, **outstanding principal balance** means the Accreted Amount thereof.

**Additional LPN** means any bond issued in the form of a loan participation note (an **LPN**) by an entity (the **LPN Issuer**) for the sole purpose of providing funds for the LPN Issuer to (A) finance a loan to the Reference Entity (the **Underlying Loan**); or (B) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **Underlying Finance Instrument**); provided that, (i) either (a) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (b) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Deliverable Obligation Characteristics or Selected Obligations Characteristics (as applicable): Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

**Additional Obligation** means each of the obligations listed as an Additional Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Issue Date, which list is currently available at <http://www.markit.com/marketing/services.php>.

**Affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person.

**Aggregate Loss Amount** means at any time:

- (a) for a Basket Note that is not a Tranche Note, the aggregate of the Loss Amount in respect of each Reference Entity; or
- (b) for a Tranche Note, the lowest of:
  - (i) the Tranche Notional Amount; and
  - (ii) the highest of (x) zero and (y) the difference between (xx) the aggregate of the Loss Amount for all Reference Entities and (xy) the Tranche Subordination Amount.

**Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Auction Method** means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined pursuant to the relevant Transaction Auction Settlement Terms.

**Bankruptcy** means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a 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 (A) 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 (B) is not dismissed, discharged, stayed or restrained in each case within 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 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 paragraphs (i) to (vii) (inclusive) of this definition of Bankruptcy.

**Basket Note** means a Credit Linked Note indexed on several Reference Entities.

**Best Available Information** means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination of the relevant Successor(s), other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination of the relevant Successor(s).

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

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

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

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

**Business Day** means the days specified in the related Final Terms [and solely for the purposes of physical settlement, if applicable, a day in any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligations being Delivered]\*\*.

**Calculation Agent** means Societe Generale. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders in the absence of manifest error.

**Cash Redemption Amount** means:

(a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

In respect of each Note for which physical settlement is partially or totally Illegal or Impossible, an amount equal to the sum of each Cash Redemption Amount per Undeliverable Obligation; or

(b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

(i) In respect of Single Name Notes and First-to-Default Notes, an amount equal to the product of the Final Value multiplied by the Nominal Amount of each Note; or

(ii) In respect of Basket Notes and Tranche Notes, an amount equal for each Note to the Relevant Proportion of the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount as at the Maturity Date.

In relation to Notes which are not Single Name Notes or First-to-Default Notes or Basket Notes or Tranche Notes, the provisions relating to the Cash Redemption Amount will be specified in the related Final Terms.

**Cash Redemption Amount per Undeliverable Obligation** means, in respect of one Note and an Undeliverable Obligation, the product of (i) the outstanding principal balance of such Undeliverable Obligation and (ii) the final price of such Undeliverable Obligation determined in accordance with Quotation Dealers Method (save as provided below), divided by the number of Notes in respect of which there is such an Undeliverable Obligation.

For the avoidance of doubt, where Illegal or Impossible means the inability to purchase the Specified Deliverable Obligations despite the Issuer's reasonable efforts, the final price of the Undeliverable Obligation will be determined in accordance with Auction Method. If no Transaction Auction Settlement Terms are published on or prior to the Credit Valuation Date, such final price will be deemed to be zero.

**Cash Redemption Date** means:

(a) *If American Settlement is specified in the related Final Terms:*

The day that is four Business Days following the Final Valuation Notice Receipt Date, or in relation to Basket Notes and to Tranche Notes, following the last Final Valuation Notice Receipt Date.

(b) *If European Settlement is specified in the related Final Terms:*

The later of (a) the Scheduled Maturity Date and (b) the day that is four Business Days following the Final Valuation Notice Receipt Date, or in the case of Basket Notes and Tranche Notes, following the last Final Valuation Notice Receipt Date.

**Conditionally Transferable Obligation** means:

(a) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

A Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the

case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of the definition of Conditionally Transferable Obligation.

Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the cash settlement provisions described in Part 1 of this Credit Technical Annex shall apply.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Physical Settlement Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

(b) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*

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

For the purposes of determining whether a Selected Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the day on which the Final Value for the Selected Obligation is determined by the Calculation Agent, taking into account only the terms of the Selected Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Consent Required Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Convertible Obligation** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of

such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**Credit Derivatives Determinations Committee** means the committee established by ISDA for purposes of reaching certain DC Resolutions (as defined in the Rules) (including but not limited to the determination of the occurrence of a Credit Event and the establishment of the Transaction Auction Settlement Terms) in connection with Credit Derivative Transactions, as more fully described in the Rules.

**Credit Event** means, with respect to a Reference Entity as determined by the Calculation Agent, the occurrence during the period from and including the First Credit Event Occurrence Date up to and including the Last Credit Event Occurrence Date of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified in the related Final Terms.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

A Credit Event need not be continuing on the Credit Event Determination Date.

**Credit Event Determination Date** means, in relation to a Credit Event with respect to which a Credit Event Notice has been delivered, the earlier of (a) the Credit Event Resolution Request Date and (b) the day on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are delivered to the Relevant Clearing System and/or the Noteholders.

**Credit Event Notice** means an irrevocable notice that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders that describes a Credit Event that occurred on or prior to the Last Credit Event Occurrence Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of a Credit Event Notice need not be continuing on the Credit Event Determination Date. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice contains Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

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

- (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 DC Resolutions (as defined in the Rules).

**Credit Valuation Date** means:

- (a) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Fixed Recovery in the related Final Terms:*

The date on which the Credit Event Notice is delivered to the Relevant Clearing System for the information of the Noteholders.

- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement:*

The date that is two Business Days after the Latest Permissible Physical Settlement Date, subject, as the case may be, to clause 2.3 of Part 1 Section I of this Credit Technical Annex. PROVIDED THAT if the Calculation Agent is unable to determine the final price of the Undeliverable Obligation on the Credit Valuation Date (the **Original Credit Valuation Date**), the Credit Valuation Date will be such later date, within the 15 Business Days' period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine such final price.

- (c) *If the Settlement Method is specified as Cash Settlement and Final Value is specified as Floating Recovery in the related Final Terms:*

(i) If the Final Value is to be determined pursuant to Auction Method, the auction date or any other date specified by the relevant Transaction Auction Settlement Terms; or

(ii) If no Transaction Auction Settlement Terms are published before 140 Business Days after the Credit Event Determination Date, or if the Final Value is to be determined pursuant to Quotation Dealers Method, the Calculation Agent will select in its own discretion a date that is on or before the 160th Business Day following the Credit Event Determination Date (the **Original Credit Valuation Date**),

PROVIDED THAT if the Calculation Agent is unable to determine the Final Value at the latest on the Original Credit Valuation Date, the Credit Valuation Date will be such later date, within the 15 Business Day period following the Original Credit Valuation Date, on which the Calculation Agent is able to determine the Final Value,

PROVIDED FURTHER THAT under no circumstances will the Final Value be determined later than the 180th Business Day following the corresponding Credit Event Determination Date.

**Daily Interest Calculation Amount** means, in respect of any day during an Interest Period:

- (a) *If the Notes are Basket Notes (which are not Tranche Notes) Interest Recovery will be Fixed Interest Recovery unless otherwise specified in the related Final Terms:*

the sum of (a) the product of (i) the Interest Recovery Rate and (ii) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which a Credit Event Determination Date has occurred on or prior to such day and (b) the sum of the Reference Entity Notional Amounts of all the Reference Entities in respect of which no Credit Event Determination Date has occurred on or prior to such day.

- (b) *If the Notes are Basket Notes (which are not Tranche Notes) and if Interest Recovery is specified as Floating Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Not Applicable in the related Final Terms (unless Fixed Interest Recovery is specified in the related Final Terms) or where N-to-M-to-Default is specified as Applicable and Floating Interest Recovery is specified in the related Final Terms::*



an amount equal to the Aggregate Nominal Amount minus the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day shall be deemed to be equal to the relevant Reference Entity Notional Amount. The difference between the Interest that would have been payable if the Loss Amount had been determined on such date and the Interest actually paid shall be payable following the determination of such Loss Amount and paid either on the first Interest Payment Date after the fourth Business Day following the Credit Valuation Date, or if such determination occurs after the last Interest Payment Date, on the fourth Business Day following the Credit Valuation Date.

- (c) *If the Notes are Tranche Notes and if Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms or if the Notes are Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms:*

an amount equal to the Aggregate Nominal Amount minus an amount equal to the Aggregate Loss Amount that would be calculated if the Final Value for all Reference Entities in respect of which a Credit Event has occurred was deemed to be equal to the Interest Recovery Rate.

**DC No Credit Event Announcement** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**Default Requirement** means, unless specified otherwise in the related Final Terms, USD 10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event.

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

**Deliverable Obligation** means, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation(s) (if any);
- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms that (a) is payable in an amount equal to its outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, (b) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural

requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (c) is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:

- (A) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Deliverable Obligations;
  - (B) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Deliverable Obligations, however described;
  - (C) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (D) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation that (a) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (b) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraphs (b)(i) to (iv) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (c) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Physical Settlement Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (iv) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (a) *If the Notes described in the related Final Terms are denominated in Euros:*

Where a Specified Deliverable Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12.00 p.m. on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (b) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (c) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

Where a Specified Deliverable Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the date on which the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date on which notice of the last such change is effective) or, if the cash settlement definitions apply, on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Deliverable Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In case of Reference Obligations Only, no Deliverable Obligation Characteristics shall be applicable.

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

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

**Downstream Affiliate** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 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 [Physical Settlement Date]\*\*[Credit Valuation Date]\*, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts). When used in connection with Qualifying Guarantees, the term Due and Payable Amount is to be interpreted to be the then Due and Payable Amount of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Eligible Transferee** means each of the following:

- (i) (A) any bank or other financial institution; (B) an insurance or reinsurance company; (C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (iii) (A) below); and (D) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (ii) an Affiliate of an entity specified in the preceding paragraph (i);
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity: (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000; (B) that has total assets of at least USD 500,000,000; or (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in paragraphs (i), (ii), (iii)(B) or (iv) of this definition; and

- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition of Eligible Transferee to USD include equivalent amounts in other currencies.

**Enabling Obligation** means an outstanding [Deliverable]\*\* [Selected]\* Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

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

**Exchangeable Obligation** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation). With respect to any Exchangeable Obligation that is not an Accreting Obligation, **outstanding principal balance** shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**Exercise Cut-off Date** means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or such Credit Event is a Restructuring but neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms), either:
- (i) the Relevant City Business Day (as defined in the Rules) prior to the Auction Final Price Determination Date (as specified in the relevant Transaction Auction Settlement Terms), if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date (as specified in the relevant Transaction Auction Settlement Terms), if any; or
  - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms, and:
- (i) the relevant Credit Derivatives Determination Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List (as defined in the Rules) applicable to such Transaction Auction Settlement Terms in accordance with the Rules; or
  - (ii) a No Auction Announcement Date occurs, the date that is 21 calendar days following such No Auction Announcement Date.

**Extension Date** means the fourth Business Day following the Last Credit Event Occurrence Date, or, in the event of delivery of a Notice of Pending Credit Event, the date that is 110 Business Days following the Credit Event Resolution Request Date.

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

**Final Price** means, in respect of a [Selected]\* [Undeliverable]\*\* Obligation, a quotation (expressed as a percentage) of such [Selected]\* [Undeliverable]\*\* Obligation, obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable at approximately 11.00 a.m. London time or 11.00 a.m. New York time, as the case may be. To such end:

- (i) If the Calculation Agent obtains more than three Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations, disregarding the Full Quotations with the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (ii) If the Calculation Agent is unable to obtain more than three Full Quotations, but obtains exactly three Full Quotations on the Credit Valuation Date, the Final Price will be the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations will be disregarded).
- (iii) If the Calculation Agent is unable to obtain three Full Quotations, but obtains exactly two Full Quotations on the Credit Valuation Date, the Final Price will be the arithmetic mean of such Full Quotations.
- (iv) If the Calculation Agent is unable to obtain two Full Quotations, but obtains a Weighted Average Quotation on the Credit Valuation Date, the Final Price will be such Weighted Average Quotation.
- (v) If the Calculation Agent obtains fewer than two Full Quotations and no Weighted Average Quotation on the Credit Valuation Date, then the Final Price will be an amount as determined by the Calculation Agent on the next Business Day on which the Calculation Agent obtains two or more Full Quotations or a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifteenth Business Day following the Credit Valuation Date, the Final Price will be deemed to be zero.

**Final Valuation Notice** means the notice delivered on the Final Valuation Notice Receipt Date, specifying:

- (a) *If the Settlement Method specified in the related Final Terms is Cash Settlement:*
  - (i) except if the Final Value is specified as Fixed Recovery in the related Final Terms or if the Final Value is specified as Floating Recovery and Auction Method is applicable in the related Final Terms, the Selected Obligations (with an outstanding principal balance, excluding accrued interest, equal to the Aggregate Nominal Amount);
  - (ii) the Cash Redemption Amount; and
  - (iii) the Cash Redemption Date.
- (b) *If the Settlement Method specified in the related Final Terms is Physical Settlement and provisions of clause 2 (Cash Settlement) of Section I apply:*

The Cash Redemption Amount per Undeliverable Obligation (if any).

**Final Valuation Notice Receipt Date** means the day (such day being expected to be no later than the 7<sup>th</sup> Business Day following the Credit Valuation Date) on which the Calculation Agent delivers the Final Valuation Notice on behalf of the Issuer to the Relevant Clearing Systems, for the information of the Noteholders.

**Final Value** means, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, either:

(a) *If Final Value is specified as Fixed Recovery in the related Final Terms:*

The percentage specified as such in the related Final Terms; or

(b) *If Final Value is specified as Floating Recovery in the related Final Terms:*

(i) If Auction Method is specified as applicable in the related Final Terms and therefore the Final Value is to be determined pursuant to a Transaction Auction Settlement Terms and if a Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date, that provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred, the Auction Final Price (as specified in the relevant Transaction Auction Settlement Terms and expressed as a percentage) determined, if any, under such Transaction Auction Settlement Terms and applicable to the status of the Reference Obligation (subordinated or senior or any other applicable status as the case may be); or

(ii) If (i) Auction Method is specified in the related Final Terms but no Transaction Auction Settlement Terms is published on or before 140 Business Days following the Credit Event Determination Date or (ii) Quotation Dealers Method is specified in the related Final Terms, the amount determined by the Calculation Agent on the Credit Valuation Date as follows:

(x) the Final Price if there is only one Selected Obligation; or

(y) the weighted average of the Final Prices of the Selected Obligations if the latter are a portfolio,

in each case, minus the Valuation Hedging Cost for such Selected Obligation(s).

**First Credit Event Occurrence Date** is the date specified as such in the related Final Terms.

**First Ranking Interest** means a charge, security interest (or other type of interest having similar effect) (an **LPN Interest**), which is expressed as being “first ranking”, “first priority”, or similar (**First Ranking**) in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

**First-to-Default Note** means a Credit Linked Note indexed on two or more Reference Entities and in respect of which the First-to-Default Reference Entity will be treated as if it were the sole Reference Entity.

**First-to-Default Reference Entity** means the first Reference Entity in respect of which a Credit Event occurs and a Credit Event Notice and, if applicable a Notice of Publicly Available Information, have been sent in accordance with the provisions of Part 1 of this Credit Technical Annex. If First-to-Default is specified as Applicable in the related Final Terms, the definitions of Obligation or [Deliverable Obligation]\*\* [Selected Obligation]\* shall be construed as though such definitions had been specified only with respect to the First-to-Default Reference Entity.

**Full Quotation** means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount. It is understood that a Full Quotation shall be based, with respect to any Accreting Obligation, on the Accreted Amount thereof.

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

For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the [Physical Settlement Date]\*\* [Credit Valuation Date]\* for the [Deliverable]\*\* [Selected]\* Obligation, taking into account only the terms of the [Deliverable]\*\* [Selected]\* Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent.

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

**Grace Period** means:

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

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

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as Applicable in the related Final Terms and (b) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

If Grace Period Extension is specified as Not Applicable in the related Final Terms, Grace Period Extension shall not apply to the Notes.

If (i) Grace Period Extension is specified as Applicable in the related Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as specified in the related Final Terms), Tokyo time)), and (iii) a Credit Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the fourth Business Day immediately preceding the Scheduled Maturity Date).

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

**Illegal or Impossible** means, in respect of the Delivery of any Specified Deliverable Obligations, that it is illegal or impossible for the Issuer to Deliver or for a Noteholder to take Delivery of all or part of such Specified Deliverable Obligations because of:

- (i) any legal, contractual or other restrictions or constraints affecting the Delivery of the Specified Deliverable Obligations (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints, the specific terms or conditions of the Specified Deliverable Obligations or failure to obtain the relevant consents, including but not limited to the consent of the Reference Entity and the guarantor (if any) of the Reference Entity or the consent of the applicable borrower in the case of a Specified Deliverable Obligation guaranteed by the Reference Entity); or
- (ii) any event which is beyond the control of the Issuer (including, without limitation, failure of the Relevant Clearing System or the refusal by a Noteholder to take Delivery of any of the Specified Deliverable Obligations, or the inability to purchase the Deliverable Obligations despite the Issuer's reasonable efforts); or
- (iii) any event which is beyond the control of a Noteholder due to its specific situation.

**Interest Calculation Amount** means, in respect of Basket Notes and Tranche Notes, the amount for the purposes of calculating the interest payable under the Notes on any Interest Payment Date determined by the Calculation Agent in accordance with the provisions of Part 1 of this Credit Technical Annex.

For the avoidance of doubt, the interest amount payable under the Notes shall be equal to the Relevant Proportion of the product of (a) the Rate of Interest, (b) the Interest Calculation Amount and (c) the applicable Day Count Fraction.

**Interest Recovery Rate** means:

- (i) in respect of Basket Notes which are not Tranche Notes or in respect of Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, zero per cent. unless otherwise specified in the related Final Terms; or
- (ii) in respect of Tranche Notes where Interest Recovery is specified as Fixed Interest Recovery in the related Final Terms, the value specified in such Final Terms.

**ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement** means the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009, as amended from time to time.

**Last Credit Event Occurrence Date** means the latest of:

- (i) the fourth Business Day immediately preceding the Scheduled Maturity Date;
- (ii) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the Repudiation/Moratorium Evaluation Date, or, in the case of Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a Repudiation/Moratorium, (b) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date and (c) the Repudiation/Moratorium Extension Condition is satisfied; and
- (iii) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms*: the Grace Period Extension Date, or, in the case of Basket Notes and Tranche Notes, the last Grace Period Extension Date, if (a) the Credit Event that is the subject of a Credit Event Notice is a



Failure to Pay and (b) the Potential Failure to Pay with respect to such Failure to Pay has occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date.

**Latest Notification Date** means the 30th Business Day following the Exercise Cut-Off provided that it will be no later than the 180th Business Day after the Credit Event Determination Date.

**Latest Permissible Physical Settlement Date** means the day that is 60 Business Days after the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System.

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: two and a half years (the **2.5-year Limitation Date**), five years (the **5-year Limitation Date**), 7 and a half years, ten years, 12 and a half years, 15 years, or 20 years (the **20-year Limitation Date**) as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the related Final Terms specified that it shall be so adjusted in accordance with a specified Business Day Convention.

**Listed** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange. Unless otherwise specified in the applicable related Terms:

- (i) if the Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category; and
- (ii) if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Listed is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

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

**Loss Amount** means,

*(a) In respect of Basket Notes and Tranche Notes if N-to-M-to-Default is specified as Not Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.*

*(b) In respect of Tranche Notes if N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred:*

- which has a Ranking strictly lower than N: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the Reference Price.
- which has a Ranking higher than or equal to N and lower than or equal to M: an amount equal to the product of (i) the Reference Entity Notional Amount and (ii) the difference between the Reference Price and the Final Value, subject to a minimum of zero.
- which has a Ranking strictly higher than M: an amount equal to zero.

**LPN Reference Obligation** means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference

Entity. For the purposes of the Notes each such loan shall be an Underlying Loan. For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

**Maturity Date** means:

- (a) *If American Settlement is specified in the related Final Terms:*
- (i) the date specified as such in the related Final Terms (the **Scheduled Maturity Date**); or
  - (ii) the [Physical Settlement Date]\*\* [Cash Redemption Date]\* if a Credit Event Notice is delivered during the Notice Delivery Period; or
  - (iii) the later of
    - (A) *if Repudiation/Moratorium is specified as Applicable to the relevant Reference Entity in the related Final Terms:* the day that is four Business Days following the Repudiation/Moratorium Evaluation Date, or in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Repudiation/Moratorium Evaluation Date, if:
      - (1) a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
      - (2) the Repudiation/Moratorium Extension Condition is satisfied;
      - (3) such Repudiation/Moratorium Evaluation Date falls after the Scheduled Maturity Date; and
      - (4) no Credit Event Notice in respect of such Potential Repudiation/Moratorium is delivered during the Notice Delivery Period; and
    - (B) *if Grace Period Extension is specified as Applicable to the relevant Reference Entity in the related Final Terms:* the day that is four Business Days following the Grace Period Extension Date, or, in the case of First-to-Default Notes, Basket Notes and Tranche Notes, the last Grace Period Extension Date if:
      - (1) a Potential Failure to Pay occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date;
      - (2) such Grace Period Extension Date falls after the Scheduled Maturity Date; and
      - (3) no Credit Event Notice in respect of such Potential Failure to Pay is delivered during the Notice Delivery Period.
- (b) *If European Settlement is specified in the related Final Terms:* the later of the dates set out in paragraphs (a)(i), (ii) and (iii) above.

PROVIDED that, in all cases, if a Notice of Pending Credit Event in relation to a Reference Entity is delivered prior to the Scheduled Maturity Date and is still effective on the Scheduled Maturity Date, the Maturity Date will be either the date on which the Suspended Amounts are paid to the Noteholders or, if a Credit Event Notice relating to the event in the Notice of Pending Credit Event is delivered, the [Physical Settlement Date]\*\* [Cash Redemption Date]\*.

PROVIDED FURTHER that, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Nominal Amount of Notes not affected by the Unsettled Credit Event and,

- (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or
- (ii) in all other cases, the Maturity Date will be as defined in paragraph (a) and (b) above.

**Maximum Maturity** means an obligation that has a remaining maturity from the [Physical Settlement Date]\*\* [Credit Valuation Date]\* of not greater than the period specified in the related Final Terms.

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

**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Modified Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists.

Where "Modified Restructuring Maturity Limitation" and "Conditionally Transferable Obligation" are specified as Applicable in the related Final Terms and where the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (a) on or prior the 2.5-year Limitation Date or (b) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (i) the 2.5-year Limitation Date and no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*", Multiple Holder Obligation shall be deemed as Not Applicable with respect to any Reference Obligation (and any Underlying Loan).

**No Auction Announcement Date** means with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms, and if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the related Final Terms only, no Transaction Auction Settlement Terms will be published but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determination Committee had Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

**Nominal Amount** means the Specified Denomination of one Note as specified in the related Final Terms subject, as the case may be, to the provisions of Part 1 of this Credit Technical Annex.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Not Contingent** means any obligation having as of the [Physical Settlement Date]\*\*[Credit Valuation Date]\* and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent [Deliverable]\*\*[Selected]\* Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the [Physical Settlement Date]\*\* [Credit Valuation Date]\*.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a [Deliverable]\*\*[Selected]\* Obligation only if the rights referred to in paragraphs (A) and (B) of this definition of Not Contingent have not been exercised (or such exercise has been effectively rescinded) on or before [Physical Settlement Date]\*\*[Credit Valuation Date]\*.

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

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

**Not Domestic Law** means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

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

**Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the related Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or where, with respect to the Reference Obligation, one or more Successors to the relevant Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligation at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable,

"Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether a [Deliverable]\*\* [Selected]\* Obligation satisfies the Not Subordinated Obligation Characteristic or [Deliverable Obligation Characteristic]\*\* [Selected Obligation Characteristic]\* the ranking in priority of payment of each Reference Obligation or each prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date; PROVIDED THAT in relation to a Reference Entity which has a Transaction Type being specified in the Final Terms as "*Standard Emerging European Corporate LPN*" or "*Emerging European Corporate LPN*" this definition shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

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

**Notice of Pending Credit Event** means a notice delivered, on a date which is expected to be no later than 10 Business Days following the relevant Credit Event Resolution Request Date, by or on behalf of the Issuer that (a) informs the Noteholders of the occurrence of a Credit Event Resolution Request Date and (b) states that payment of amounts due and payable under the Notes, whether in connection with accrued interest or redemption, shall be suspended (the **Suspended Amounts**) pending the publication of a DC Resolution or as the case may be, a DC No Credit Event Announcement.

PROVIDED THAT:

- (a) if a DC Resolution confirming the existence of a Credit Event in relation to the relevant Reference Entity in the period from and including the First Credit Event Occurrence Date to and including the Last Credit Event Occurrence Date, is published within 100 Business Days following the Credit Event Resolution Request Date, the Issuer will deliver or arrange delivery of a Credit Event Notice within 10 Business Days of such publication;
- (b) if a DC No Credit Event Announcement in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, the Suspended Amounts under the Notes shall be paid to the Noteholders within 10 Business Days of such publication;
- (c) if a DC Resolution Resolving not to determine the existence of a Credit Event in relation to the relevant Reference Entity is published within 100 Business Days following the Credit Event Resolution Request Date, either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days of such publication; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days of such publication; and
- (d) if no DC Resolution or DC No Credit Event Announcement is published after 100 Business Days following the Credit Event Resolution Request Date, the Notice of Pending Credit Event shall be deemed cancelled and either (i) the Suspended Amounts due under the Notes shall be paid to the Noteholders within 10 Business Days; or (ii) the Issuer may decide to deliver a Credit Event Notice together with a Notice of Publicly Available Information within 10 Business Days.

**Notice of Publicly Available Information** means, in relation to a Credit Event Notice or a Repudiation/Moratorium Extension Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Notice of Physical Settlement** means an irrevocable notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Noteholders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Noteholders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will, to the extent possible, give the Noteholders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement (the term Specified Deliverable Obligation is deemed to include such change).

**Obligation** means:

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Obligation Category specified in the related Final Terms and having each of the Obligation Characteristics, if any, specified in the related Final Terms, in each case, as of the date of the event which constitute the Credit Event which is the subject of the Credit Event Notice;
- (ii) the Reference Obligation(s) (if any); and
- (iii) any other obligation of a Reference Entity specified as such in the related Final Terms.

**Obligation Acceleration** means one or more 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 the Reference Entity under one or more Obligations.

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

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

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

**Obligation Default** means one or more 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.

**outstanding principal balance** when used in connection with Qualifying Guarantees, the term outstanding principal balance is to be interpreted to be the then outstanding principal balance of the Underlying Obligation which is supported by a Qualifying Guarantee.

**Parallel Auction Settlement Terms** means, following the occurrence of a Restructuring with respect to a Reference Entity for which either "Restructuring Maturity Limitation and Fully Transferable Obligation" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applicable in the related Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms (as specified in the relevant Transaction Auction Settlement Terms) are the same as the Deliverable Obligation Provisions (as set forth in the relevant Transaction Auction Settlement Terms) applicable to the Reference Entity and for which such Reference Entity would not be an Auction Covered Transaction (as defined in the relevant Transaction Auction Settlement Terms).

**Payment** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**Payment Requirement** means, unless specified otherwise in the related Final Terms, USD 1,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Permitted Currency** means (A) the legal tender of any Group of seven country (or any country that becomes a member of the Group of seven if such Group of seven expands its membership) or (B) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**Physical Delivery Amount** means, for each Note, Specified Deliverable Obligations with an outstanding principal balance, excluding accrued interest, equal to the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (Section IV of Part 1 of this Credit Technical Annex). If the number of Specified Deliverable Obligations that the Issuer can Deliver is not an integer then, in respect of each Note, the Physical Delivery Amount will include, in addition to the Specified Deliverable Obligations that can be Delivered, the market value in cash, excluding accrued interest, of Specified Deliverable Obligations with an outstanding principal balance equal to the difference between the Nominal Amount or, if applicable, the Partial Redemption Amount in case of the occurrence of a Restructuring (Section III of Part 1 of this Credit Technical Annex) or the Multiple Successor Notional Amount (Section IV of Part 1 of this Credit Technical Annex) and the outstanding principal balance of the Specified Deliverable Obligations that can be Delivered, as determined by the Calculation Agent.

**Physical Settlement Date** means the date on which the Issuer Delivers the Physical Delivery Amount to the Noteholders, or, if the Issuer does not Deliver on the same date all the portfolio of Deliverable Obligations comprised in the Physical Delivery Amount, the date on which the Issuer has completed the Delivery thereof for all the Notes to all the Noteholders.

**Physical Settlement Period** means the period from and including the date on which a Notice of Physical Settlement is delivered to the Relevant Clearing System to and including the Latest Permissible Physical Settlement Date.

**Potential Failure to Pay** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

**Preliminary Cash Redemption Amount** means, with respect to Basket Notes and Tranche Notes in relation to which an Unsettled Credit Event has occurred, an amount payable on the Scheduled Maturity Date calculated for each Note as an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

**Publicly Available Information** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice, has occurred and which:

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information, provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is

acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

- (ii) is information received from or published by:
  - (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign); or
  - (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or
- (iii) is information contained in any petition or filing instituting a proceeding against or by the Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Reference Entity (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief of the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (v) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to the such Obligation.

In relation to any information of the type described in (ii), (iii) and (iv) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality or such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state (i) in relation to a Qualifying Affiliate Guarantee, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (a) has met the Payment Requirement or Default Requirement, (b) is the result of exceeding any applicable Grace Period or (c) has met the subjective criteria specified in certain Credit Events including without limitation qualifying under paragraph (i) of the definition of Bankruptcy.

**Public Source** means each source of Publicly Available Information specified in the related Final Terms (or if a source is not specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **Underlying Obligation**) for which another party is the obligor (the **Underlying Obligor**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by



operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). [The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.]\*\*

In the event that an Obligation or [Deliverable]\*\* [Selected]\* Obligation is a Qualifying Guarantee, the following will apply:

- (a) For purposes of the application of the Obligation Category or [Deliverable]\*\* [Selected]\* Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (b) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law.
- (c) For purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics, if any, specified in the related Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity and Not Bearer.
- (d) For the purposes of the application of the Obligation Characteristics or [Deliverable]\*\* [Selected]\* Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Quotation Amount** means:

- (a) *If Physical Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, of the Undeliverable Obligation.

- (b) *If Cash Settlement is specified in the related Final Terms:*

an amount equal to the outstanding principal balance of the Notes, if there is only one Selected Obligation; otherwise (if there is a portfolio of Selected Obligations), the Quotation Amount shall be a weighted amount in respect of each Selected Obligation, the sum of all such Quotation Amounts being equal to the outstanding principal balance of the Notes.

**Quotation Dealers** means at least five leading dealers in obligations of the type of the Undeliverable Obligation(s) or as the case may be Selected Obligation(s), which may include Societe Generale, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

**Quotation Dealers Method** means that, in respect of a Reference Entity in respect of which a Credit Event Determination Date has occurred, the Final Value will be determined by the Calculation Agent in accordance with the provisions of the definition of Final Price.

**Ranking** means, for Tranche Notes where N-to-M-to-Default is specified as Applicable in the related Final Terms, in relation to each Reference Entity in respect of which a Credit Event Determination Date has occurred, the ranking in time of occurrence of such Credit Event Determination Date amongst all Credit Event Determination Dates, provided that if several Credit Event Determination Dates are identical in respect of several Reference Entities comprised within the Reference Portfolio, the date on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities and if the Credit Event Notices have

been sent on the same date, the time on which the relevant Credit Event Notices have been sent shall be used to determine the Ranking of those Reference Entities.

For the avoidance of doubt, the first Reference Entity in respect of which a Credit Event Determination Date occurs will have a Ranking of 1.

**Reference Entity** means any entity specified in the related Final Terms or any Successor thereto.

**Reference Entity Notional Amount** means for each Reference Entity, the amount equal to the product of the Reference Entity Weighting and the Reference Portfolio Notional Amount.

**Reference Entity Weighting** means the percentage specified as such in the Final Terms, which, upon the occurrence of a Succession Event will be adjusted in accordance with the provisions the definition of Successor.

**Reference Obligation(s)** means the reference obligation(s) specified in the related Final Terms, or any Substitute Reference Obligation(s) provided that, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as being “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, Reference Obligation(s) means, as of the Issue Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each, a “Markit Published LPN Reference Obligation”), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>, any Additional LPN, determined in accordance with the Additional LPN definition, and each Additional Obligation. For the avoidance of doubt, in respect of a Reference Entity which has a Transaction Type being specified in the Final Terms as “*Standard Emerging European Corporate LPN*” or “*Emerging European Corporate LPN*”, notwithstanding anything to the contrary in this Credit Technical Annex (in particular, notwithstanding that the obligation is not an obligation of the Reference Entity), each Reference Obligation will be an Obligation and a Deliverable Obligation or a Selected Obligation, (as applicable).

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Reference Portfolio** means, in respect of First-to-Default Notes, Basket Notes and Tranche Notes, a portfolio comprising all the Reference Entities.

**Reference Portfolio Notional Amount** means the amount specified in the related Final Terms.

**Reference Price** means 100 per cent. unless otherwise specified in the Final Terms.

**Relevant Clearing System** means Clearstream Banking, *société anonyme*, Luxembourg (**Clearstream, Luxembourg**), Euroclear Bank SA/N.V. (**Euroclear**) or any other clearance system for the Deliverable Obligations as designated by Euroclear or Clearstream, Luxembourg.

**Relevant Obligations** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of Best Available Information. If the date on which Best available Information becomes available or is filed precedes the legally effective date of the relevant succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**Relevant Proportion** means the proportion which one Note bears to the total number of Notes outstanding.

**Repudiation/Moratorium** means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations 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 and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, (i) the Obligations to which such Potential Repudiation/Moratorium relates includes Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date plus four Business Days under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (i) the Repudiation/Moratorium Extension Condition is satisfied and (ii) a Credit Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the date falling four Business Days after the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date).

**Repudiation/Moratorium Extension Condition** means a condition that is satisfied

- (a) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date, or
- (b) otherwise, by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as Applicable in the related Final Terms, Notice of Publicly Available Information by or on behalf of the Issuer to the Noteholders that is effective on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the fourth Business Day immediately preceding the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. If Notice of Publicly Available Information is specified as Applicable in the related Final Terms and a Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**Residual Cash Redemption Amount** means, in relation to Basket Notes and Tranche Notes with respect to which one or more Unsettled Credit Event(s) has(ve) occurred, an amount payable on the Maturity Date

representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

**Restructured Bond or Loan** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring** means that:

- (a) with respect to one or more 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 First Credit Event Occurrence Date and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following will constitute a Restructuring:
  - (i) the payment in euros of interest or principal in relation to any Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of subparagraphs (a) and (b) above and, unless Multiple Holder is specified as Not Applicable in the related Final Terms, subparagraph (d) below and the definition of Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in Section (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in Section (b) above shall continue to refer to a Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as Not Applicable in the related Final Terms, then, notwithstanding anything to the contrary in (a), (b) and (c) above, the occurrence of, agreement to or

announcement of any of the events described in (a)(i) to (v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Restructuring Date** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Restructuring Maturity Limitation and Fully Transferable Obligation** means, if specified as Applicable in the related Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, that a [Deliverable]\*\* [Selected]\* Obligation may be specified in the [Notice of Physical Settlement]\*\* [Final Valuation Notice]\* only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

PROVIDED that if a No Auction Announcement Date has occurred pursuant to subparagraph (b) of the definition thereof with respect to Credit Derivatives Transactions (as defined in the 2003 ISDA Credit Derivatives Definitions) relating to the relevant Reference Entity and having a Scheduled Termination Date (as defined in the 2003 ISDA Credit Derivatives Definitions) comparable to the Scheduled Maturity Date of the Notes, the condition set out in subparagraph (ii) above shall not be applicable.

**Restructuring Maturity Limitation Date** means, with respect to a [Deliverable]\*\* [Selected]\* Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan, occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (a) (i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

**Retained Amount** means, in relation to Basket Notes or Tranche Notes in respect of which one or more Unsettled Credit Event(s) has(ve) occurred, the lower of:

- (a) The difference between the Aggregate Nominal Amount and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (b) Either:
  - (i) In respect of Basket Notes, the aggregate of the Loss Amounts for all the Unsettled Credit Events (assuming a Final Value of zero in respect of each Unsettled Credit Event); or
  - (ii) In respect of Tranche Notes, the amount by which the Aggregate Loss Amount on the Maturity Date (assuming a Final Value of zero in respect of each Unsettled Credit Event) would exceed the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date.

**Rules** mean the Credit Derivatives Credit Derivatives Determinations Committees Rules published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**Selected Obligation(s)** means, for the purpose of determining the Final Price, as specified in the Final Valuation Notice, subject to, if specified as Applicable in the related Final Terms, the provisions contained in the definition of Restructuring Maturity Limitation and Fully Transferable Obligation or the provisions contained in the definition of Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation, any of:

- (i) the Reference Obligation (if any);

- (ii) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee), described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms that (a) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (b) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance (excluding accrued interest) or Due and Payable Amount, as applicable, apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement and (c) that is not subject to a right of set-off by or of a Reference Entity or any applicable Underlying Obligor or any counterclaim or defence, other than a counterclaim or defence based on the following factors:
- (A) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Selected Obligations;
  - (B) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Selected Obligations, however described;
  - (C) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
  - (D) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;
- (iii) solely in relation to a Restructuring applicable to a Sovereign Reference Entity, any Sovereign Restructured Selected Obligation that (a) is payable in an amount equal to its outstanding principal balance (excluding accrued interest), or Due and Payable Amount, as applicable, (b) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in subparagraph (ii) (A)-(D) above or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor and (c) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Credit Valuation Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance of the Notes (excluding accrued interest), or Due and Payable Amount, as applicable apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (iv) any other obligation of a Reference Entity specified as such in the related Final Terms.
- (a) *If the Notes described in the related Final Terms are denominated in Euros:*

where a Selected Obligation is denominated in a currency other than Euro, the Calculation Agent will determine the Euro equivalent of such amount by reference to the MEAN price as displayed on Reuters Page ECB37 as of London 12:00 pm on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.
  - (b) *If the Notes described in the related Final Terms are denominated in United States Dollars:*

where a Selected Obligation is denominated in a currency other than United States Dollar, the Calculation Agent will determine the United States Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on

Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

(c) *If the Notes described in the related Final Terms are denominated in Hong Kong Dollars:*

where a Selected Obligation is denominated in a currency other than Hong Kong Dollar, the Calculation Agent will determine the Hong Kong Dollar equivalent of such amount by reference to the Federal Reserve Bank of New York 10.00 a.m. mid point rate as displayed on Reuters Page FEDSPOT on the Credit Valuation Date, or in such other commercially reasonable manner as it will determine in its sole discretion.

**Selected Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms. In case of Reference Obligations Only, no Selected Obligation Characteristics shall be applicable.

**Selected Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Selected Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Selected Obligation Characteristics, the Selected Obligation may include any Loan that satisfies any one of such Selected Obligation Characteristics specified and need not satisfy all such Selected Obligation Characteristics. For the purposes of applying the Selected Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

**Settlement Method** means either Physical Settlement (see Part 1 Section I of this Credit Technical Annex) or Cash Settlement (see Part 1 Section II of this Credit Technical Annex), as specified in the related Final Terms.

**Single Name Note** means a Credit Linked Note indexed on one Reference Entity.

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**Sovereign Agency** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the related Final Terms and having each of the Deliverable Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

**Sovereign Restructured Selected Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Selected Obligation Category specified in the related Final Terms and having each of the Selected Obligation Characteristics, if any, specified in the related Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Selected Obligation Category or Selected Obligation Characteristics after such Restructuring.

**Specified Deliverable Obligation(s)** means Deliverable Obligations of the Reference Entity or First-to-Default Reference Entity as specified in the Notice of Physical Settlement (subject to the definition of such term).

**Specified Currency** means, for the purpose of the Credit Technical Annex an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies of Canada, Japan, Switzerland, the

United Kingdom, the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively as the **Standard Specified Currencies**).

**Specified Number** means the number of Public Sources specified in the related Final Terms (or if a number is not specified, two).

**Subordination** means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **Subordinated** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

**Substitute Reference Obligation(s)** means one or more obligations of the Reference Entity (either directly or as a provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the Issuer's obligations under the Notes and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if All Guarantees is specified as Applicable in the related Final Terms, as provider of any Qualifying Guarantee). Upon notice to the Noteholders, the Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

The Calculation Agent will (in its absolute discretion) make such adjustments to the terms of the Notes that it determines are necessary in order to preserve the economic equivalent of the Issuer's obligations under the Notes.

**succeed** means, for the purposes of determining a Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable,



obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

**Succession Event** means

- (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (b) with respect to a Reference Entity that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, Succession Event shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

**Succession Event Backstop Date** means the date that is 120 calendar days prior to the Issue Date of the relevant Notes.

**Succession Event Notice** means an irrevocable notice delivered by or on behalf of the Issuer to the Noteholders that describes a Succession Event that occurred on or after the Succession Event Backstop Date. A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

**Successor** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any determined as set forth below:
  - (i) If one entity directly or indirectly succeeds to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
  - (ii) If only one entity directly or indirectly succeeds to more than twenty-five per cent. (but less than seventy five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor and, in the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.
  - (iii) If more than one entity each directly or indirectly succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the

Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, divided by the number of Successors.

- (iv) If one or more entities each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the terms of the Notes will be amended in accordance with the provisions set out in the definition of Multiple Successor in Section V of Part 1 of this Credit Technical Annex. In the case of Basket Notes and Tranche Notes, the Reference Entity Weighting of each Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event, subject to adjustment of the Reference Entity Weighting, divided by the number of Successors.
- (v) If one or more 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 continues to exist, there will be no Successor and the terms of the Notes will not be changed in any way as a result of the Succession Event.
- (vi) If one or more 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 Basket Notes and Tranche Notes, the Reference Entity Weighting of such sole Successor will be the Reference Entity Weighting of the Reference Entity before the Succession Event.

PROVIDED THAT, in the case of Basket Notes and Tranche Notes, if the resulting Successor of a Reference Entity affected by a Succession Event, or as the case may be, one or more of the several resulting Successors of such Reference Entity is(are) another Reference Entity comprised in the Reference Portfolio at the legally effective date of the Succession Event, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) and the Reference Entity Weighting of such Successor in effect prior to the Succession Event.

PROVIDED FURTHER THAT, in the case of Basket Notes and Tranche Notes, if two or more Reference Entities are affected by a Succession Event resulting in at least one common Successor, the Reference Entity Weighting of the Successor will be the sum of the Reference Entity Weighting of such Successor after the Succession Event as determined in accordance to paragraph (a)(i), (ii), (iii), (iv) or (vi) with respect to each Reference Entity in respect of which it is a Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (vi) above, as applicable. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the legally effective date of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth

above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such relevant Obligation listed in the Best Available Information.

- (b) With respect to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor to such Reference Entity by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above. PROVIDED THAT the Calculation Agent will not make such determination if at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve in accordance with the Rules (y) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity and (x) the date of the occurrence of such event (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) are satisfied or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. A notice will be sent by or on behalf of the Issuer to the Noteholders evidencing the Succession Event and giving all necessary relevant indications as to the Successor(s), the Multiple Successor Notional Amount (if applicable), the Reference Entity Weighting (if applicable) and the change in Reference Obligation(s).

PROVIDED THAT (for (a) and (b) above), *if N-to-M-to-Default is specified as Applicable in the related Final Terms or in respect of First-to-Default Notes*, the Calculation Agent will adjust the effect of any Succession Event as necessary so that in all cases the number of Reference Entities in the Reference Portfolio will remain unchanged and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, so that the Reference Entity Weighting will remain the same for all Reference Entities comprised in the Reference Portfolio, in particular:

if the resulting Successor of a Reference Entity (the **Legacy Reference Entity**) affected by a Succession Event is another Reference Entity comprised in the Reference Portfolio (the **Surviving Reference Entity**) at the legally effective date of the Succession Event, the Calculation Agent acting in good faith and in its sole discretion shall select a new entity having an equivalent Rating (as defined below) or an equivalent credit risk (if no Rating is available) to the Legacy Reference Entity immediately prior to the occurrence of the Succession Event; such new entity shall be deemed to have replaced the Legacy Reference Entity as Reference Entity effective on and from the date of the Succession Event and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, the Reference Entity Weighting of the Surviving Reference Entity shall remain the Reference Entity Weighting of the Surviving Reference Entity in effect prior to the Succession Event and the Reference Entity Weighting of the entity having replaced the Legacy Reference Entity shall be equal to the Reference Entity Weighting of the Legacy Reference Entity prior to the Succession Event;

and

if a Succession Event would result in more than one Successor (the **Potential Successors**) to a Reference Entity, the Calculation Agent shall select in its sole discretion only one entity (the **Chosen Successor**) among the Potential Successors to replace the Reference Entity; the Chosen Successor shall be deemed to have replaced the Reference Entity and *if N-to-M-to-Default is specified as Applicable in the related Final Terms*, its Reference Entity Weighting shall be equal to the Reference Entity Weighting of the Reference Entity prior to the Succession Event.

For the purposes of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investor Service, Inc., Standard & Poor's, a division of The McGraw-Hill

Companies, Inc. and Fitch Ratings or any of them, being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

**Supranational Organisation** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

**Tranche Note** means a Basket Note specified as such in the related Final Terms.

**Tranche Notional Amount** means, in respect of Tranche Notes, the Aggregate Nominal Amount of the Notes on the Issue Date or such other amount specified as such in the Final Terms.

**Tranche Subordination Amount** means, with respect to Tranche Notes, the amount specified as such in the Final Terms.

**Transaction Auction Settlement Terms** means in respect of a Reference Entity and the related Credit Event, the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules or any other recognised association or organisation selected by the Calculation Agent (including for the avoidance of doubt any Auction Settlement), which provides for the valuation of obligations of a Reference Entity in respect of which a Credit Event has occurred and which shall be used to determine the amounts payable between the parties to a credit derivatives transaction referencing such Reference Entity for which Auction Covered Transactions (as defined in the Rules) would be credit derivatives transactions with a scheduled termination date comparable to or later than the Scheduled Maturity Date of the Notes.

**Transaction Type** means in respect of a Reference Entity, the transaction type specified in the Final Terms.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S under the Securities Act (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the [Deliverable]\*\*[Selected]\* Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such [Deliverable]\*\*[Selected]\* Obligation Characteristic had been specified as a [Deliverable]\*\*[Selected]\* Obligation Characteristic only with respect to [Deliverable]\*\*[Selected]\* Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified [Deliverable]\*\*[Selected]\* Obligation Category).

**Undeliverable Obligation(s)** means that part of the Specified Deliverable Obligations for which Delivery is Illegal or Impossible.

**Unsettled Credit Event** means, with respect of a Reference Entity, that:

- (a) a Credit Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or
- (b) a Notice of Pending Credit Event is delivered less than 100 Business Days prior to the Scheduled Maturity Date and (i) a DC No Credit Event Announcement has not been published prior to the Scheduled Maturity Date and (ii) if a Credit Event Notice has subsequently been delivered in relation to

the relevant Credit Event, the corresponding Final Valuation Notice Receipt Date has not occurred immediately prior to the Scheduled Maturity Date; or

- (c) a Potential Repudiation/Moratorium has occurred and is continuing at the Scheduled Maturity Date; or
- (d) a Potential Failure to Pay has occurred and is continuing at the Scheduled Maturity Date.

The occurrence of an Unsettled Credit Event shall give rise to the payment of the Preliminary Cash Redemption amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

**Valuation Hedging Cost** means, in relation to a Selected Obligation, the direct and duly documented cost, if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Final Price.

**Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Weighted Average Quotation** means, if there are no Full Quotations available, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount.

(E) **MANAGED ASSETS PORTFOLIO TECHNICAL ANNEX**

For payments in respect of Index Linked Notes (whether in respect of principal and/or interest and whether at maturity or otherwise) calculated by reference to a portfolio of assets (basket of funds, single fund or financial instruments underlying an index), the following technical annex (the **Managed Assets Portfolio Technical Annex**) supplements the Base Prospectus.

The specific risks involved in an investment in such Notes are outlined under the item “*Risk Factors*” in the Base Prospectus.

The Managed Assets Portfolio Technical Annex will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***“The provisions of the Managed Assets Portfolio Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Managed Assets Portfolio Technical Annex and these Final Terms, these Final Terms shall prevail.”***

Terms used in this Managed Assets Portfolio Technical Annex, unless specifically defined in this Managed Assets Portfolio Technical Annex, shall have the same meanings as those elsewhere in the Base Prospectus.

**I. GENERAL DEFINITIONS**

**Basket** means a synthetic portfolio of assets whose composition is identical to those described below under the definition of Portfolio, provided however that its valuation may be expressed in terms of bare figures or bare percentage rather than by reference to a currency amount; this applies to Basket<sub>i</sub>, Basket<sub>r</sub>, and Basket<sub>t</sub>, which shall mean:

**Basket<sub>i</sub>** = 100 or 100 per cent. or any other figure or percentage specified in the applicable Final Terms;

**Basket<sub>r</sub>** = Basket<sub>i</sub> x (Basket Value per Note on the Final Valuation Date/Basket Value per Note on the Initial Determination Date);

**Basket<sub>t</sub>** = Basket<sub>i</sub> x (Basket Value per Note on the Valuation Date “t”/Basket Value per Note on the Initial Determination Date);

otherwise, all references herein to Portfolio, Portfolio Value and Portfolio Value per Note shall be deemed to be references to Basket, Basket Value and Basket Value per Note respectively; for the avoidance of doubt, all references herein to Portfolio<sub>i</sub>, Portfolio<sub>r</sub> and Portfolio<sub>t</sub> shall also be deemed to be references to Basket<sub>i</sub>, Basket<sub>r</sub> and Basket<sub>t</sub> except for aforementioned.

**Borrowed Capital** means the aggregate principal amount of the borrowings entered into in respect of the leverage feature of the Portfolio, reflected by the fact that the Risky Asset Exposure exceeds 100 per cent.

**Business Day** means the days specified as such in the applicable Final Terms.

**Calculation Agent** means the agent specified in the applicable Final Terms responsible for calculating the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount, as applicable, and making any other determinations it is designated as responsible for herein. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent, the Portfolio Manager and the Noteholders, in absence of manifest error or proven error.

**Cash** means any cash, short term deposits, zero coupon bonds, synthetic zero coupon bonds, commercial paper, murabaha contracts and/or any other negotiable money market instruments.

**Disruption Event** means any event beyond the Calculation Agent’s control, preventing the Calculation Agent from determining the Portfolio Value, including but not limited to, a breakdown in the means of communication employed in determining the Portfolio Value, the non publication or suspension of the calculation of the Net Asset Value per Unit of any Fund or any event whatsoever, including the liquidation of any Fund, which prevents the

communication of such Net Asset Value as such calculation or communication is deemed to be made in accordance with the relevant Fund Prospectus.

**Final Valuation Date** means, unless otherwise specified in the applicable Final Terms, the tenth Business Day before the Maturity Date, provided that if such Business Day is not a Valuation Date, the Final Valuation Date will be the immediately following Valuation Date, *provided further* that, if none of the Business Days which follow up to and including the fifth Business Day before the Maturity Date is a Valuation Date, the fifth Business Day before the Maturity Date will be deemed to be the Final Valuation Date and the relevant valuation shall be made on this date by the Calculation Agent acting in good faith, on the basis of estimated value of each relevant Risky Asset and or Non Risky Asset and or Cash components when an official value is not disclosed.

**Fund** means any Risky Fund or Non Risky Fund.

**Fund Prospectus** means, in respect of a Fund, the document describing such Fund and providing, *inter alia*, for the subscription and redemption process in respect of Units of such Fund and rights attached to such Units, as such document may be supplemented and amended from time to time and available, free of charge, at the office of the Agent in Luxembourg.

**Hedging Counterparty** means any entity which holds the Units of the Fund(s) for the purpose of any hedging arrangement entered into in respect of the Notes and, if any, in relation with the portfolio management of the underlying Assets of the Notes.

**Initial Determination Date** means the date on which the initial composition/structure of the Portfolio is determined; unless otherwise specified in the applicable Final Terms, such date shall be the Issue Date of the Notes.

**Maximum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the maximum allocation of the Portfolio into Risky Asset.

**Minimum Exposure** means as specified in the applicable Final Terms and expressed as a percentage of the Portfolio Value the minimum allocation of the Portfolio into Risky Asset.

**Net Asset Value** means, in respect of any Fund, the net asset value of such Fund as calculated from time to time by the manager of such Fund or entity appointed by such Fund to that effect or as otherwise estimated by the Calculation Agent in good faith as provided in the definitions of Asset 1 or Asset 2.

**Nominal Amount** means the Specified Denomination of each Note set out in the applicable Final Terms.

**Non Risky Asset** means the Non Risky Fund(s), the Cash and the Other Instruments (if any) related to them.

**Non Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, money market instruments and/or bonds, as selected by the Portfolio Manager.

**Notes Outstanding** means, on any date, the Notes outstanding held on such date by all Noteholders, or, for the purpose of the definition of Portfolio Value per Note, by all Noteholders other than the Hedging Counterparty or any other entity specified in the applicable Final Terms, if any.

**Other Instruments** means any future, swap, cap, floor and/or option transactions or other derivative transactions entered into in relation to either the Risky Asset or the Non Risky Asset.

**Performance Objective** means the periodic and/or final performance which is targeted on a best efforts basis by the Portfolio Manager, expressed as a percentage or as a rate plus a spread, provided that in no event is any assurance or guarantee given that the Performance Objective will be achieved at any time including at the Maturity Date.

**Portfolio** means a portfolio of assets comprising (i) a selection of Risky Funds, a single Risky Fund or such other type of risky asset(s) specified in the applicable Final Terms constituting, together with the Other Instruments (if any) related to them, the **Risky Asset** and, if any, (ii) the Non Risky Fund(s) and the Cash constituting, together with the Other Instruments (if any) related to them, the **Non Risky Asset**. Where applicable, any Borrowed

Capital shall form part of the Portfolio, provided that, as liabilities, it shall come in deduction from the aforementioned assets. The Portfolio allocation amongst the components of the Risky Asset applicable on the Initial Determination Date shall be specified in the applicable Final Terms; such specification may be only indicative.

The Portfolio may be managed and allocated by the Portfolio Manager in different manners as detailed below (unless otherwise specified in the applicable Final Terms):

(a) **Portfolio Management**

- (i) If **Dynamic Selection** is specified in the applicable Final Terms the Portfolio Manager will manage the Risky Asset in its absolute discretion without limitation to the number and/or the weighting of the components in the Risky Asset; it may, in particular, remove any component from the Risky Asset or add one or more new components therein. Specific rules, guidelines or constraints on or in relation to the Portfolio Management's authority or discretion to manage the Risky Asset may be provided for in applicable the Final Terms.
- (ii) If **Permanent Selection** is specified in the applicable Final Terms, the Portfolio Manager is not authorised to remove or add components from or to the Risky Asset, provided however that (A) the respective weightings of the components of the Risky Asset may be modified by the Portfolio Manager and (B) the Portfolio Manager and/or the Calculation Agent, acting in good faith, may make adjustments to the Risky Asset following the occurrence of an Extraordinary Event.

(b) **Portfolio Allocation**

In allocating the Portfolio amongst the relevant components the Portfolio Manager will take into account (i) variations in the performance of the Risky Asset and (ii) the specific market conditions. The Portfolio Manager may permit the exposure of the Portfolio to the Risky Asset (the **Risky Asset Exposure** being Risky Asset Value/Portfolio Value) to vary from the Minimum Exposure (0 per cent. means that the Portfolio is exclusively invested in the Non Risky Asset) to the Maximum Exposure (100 per cent. or more means that the Portfolio is exclusively invested in the Risky Asset). For the avoidance of doubt, a Risky Asset Exposure exceeding 100 per cent. reflects the leverage feature of the investment in the Portfolio (Risky Asset in the Portfolio partly financed by borrowings).

- (i) If **Portfolio Allocation** is specified in the applicable Final Terms, the Portfolio Manager will allocate the Portfolio amongst the relevant components on a dynamic basis in accordance with the methodology known as the DPI (**Dynamic Portfolio Insurance**) methodology or the CPPI (**Constant Portfolio Proportion Insurance**) methodology or the ODPI (**Objective Driven Portfolio Insurance**) methodology (or any other similar methodology as specified and described in the applicable Final Terms) with a view to achieving (A) a capital protection feature for the Notes and/or (B) a participation in the growth of the value of the assets comprised in the Portfolio and/or (C) a Performance Objective in the case of the ODPI methodology.
- (ii) If **DPI Basket Allocation** is specified in the applicable Final Terms, it shall mean that allocation amongst the relevant components of the Basket will be managed on a dynamic basis in accordance with the methodology known as the DPI or the CPPI methodology but making use of some arbitrary parameters that will not allow any capital protection, as follows:
  - (A) the Portfolio Manager will periodically make observation of the difference (such difference being the **Cushion**) between (i) the Basket Value per Note on a given date t and (ii) the Reference Level (expressed as a percentage) on the same date multiplied by the Basket Value per Note on the Initial Determination Date;
  - (B) the Portfolio Manager may determine, at its absolute discretion, a range within which the ratio of the Risky Asset Value per Note to the Cushion (such ratio being the



**Multiplier**) should remain. If the Portfolio Manager observes that the Multiplier has deviated from such targeted range it may adjust the allocation of components within the Basket by increasing or decreasing (as appropriate) the allocation of the Risky Asset in the Basket such that the Multiplier falls within the targeted range, subject to the Maximum Exposure and Minimum Exposure. Alternatively the Multiplier may be a pre-determined fixed factor which generates a norm of Risky Asset Value (or Risky Asset Exposure) on the basis of current level of the Cushion. Adjustment of the Basket allocation is made only if the actual figures diverge from the norm by more than a specified percentage; where such alternative applies a Fixed Multiplier and a Specified Percentage in respect of the Risky Asset Exposure shall be specified in the applicable Final Terms.

- (iii) If **Volatility Cap Basket Allocation** is specified in the applicable Final Terms, the Portfolio Manager will dynamically manage the allocation of the Basket according to the Volatility Cap methodology as set below.

#### **Volatility Re-Balancing**

The Portfolio Manager will determine the level of the Basket Volatility on each Business Day  $t$  (the **Basket Volatility(t)**) in accordance with the formula below. If the Basket Volatility<sub>(t)</sub> exceeds the Volatility Cap Level or is below the Volatility Floor Level, then the Portfolio Manager will proceed with a re-balancing of the Basket by increasing/decreasing the exposure to the Non Risky Asset and by decreasing/increasing the exposure to the Risky Asset in order to reach the Volatility Reset Level.

The target weights of the 2 components within the Basket on a Business Day  $t$  are defined as follows:

**Risky Asset Target Weight (t) =**

Max[Minimum Exposure; Min (Maximum Exposure; Risky Asset Target Weight (t-1) × Volatility Reset Level/Basket Volatility(t))]

**Non Risky Asset Target Weight(t) = 1 - Risky Asset Target Weight(t)**

where **t-1** is the first Business Day before the date  $t$

On the Initial Determination Date ( $t=0$ ) Risky Asset Target Weight (t-1) = Maximum Exposure.

The re-balancing of the Basket will be made within 3 (or 5) Business Days of such date  $t$ , on a best efforts basis, and subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

Once a new allocation between the Risky Asset and the Non Risky Asset is determined, it will remain constant unless the Basket Volatility leads to a re-balancing in accordance with these allocation rules.

Each of the **Volatility Cap Level**, the **Volatility Floor Level** and the **Volatility Reset Level** is the relevant percentage as specified in the applicable Final Terms.

**Basket Volatility (t)** means, on each Business Day  $t$ , the Annualised Standard Deviation of the Daily Return of the Risky Asset multiplied by the Risky Asset Target Weight (t-1). The Basket Volatility will be determined for the first time on the Initial Determination Date, subject to valuation delay, liquidity and execution condition of the constituents of the Risky Asset.

**Annualised Standard Deviation:** 
$$\sigma = \sqrt{260 \times \frac{1}{n-1} \sum_{i=0}^{19} R_{t-i}^2}$$

where:

$n$  is the number of Business Days in the Rolling Period.

$R_{t-i}$  is the Daily Return of the Risky Asset on Business Day  $t-i$  of the Rolling Period.

" $i$ " designates the numerical order (from 0 to 19) of the Business Days within a Rolling Period.

**Rolling Period** means a 20 Business Days period starting on each Business Day occurring from and including the twenty first Business Day preceding the Initial Determination Date or any other period as may be specified in the applicable Final Terms.

**Daily Return of the Risky Asset** means, on each Business Day  $t$ , the difference between the Risky Asset Value on such Business Day and the Risky Asset Value on the preceding Business Day, divided by the Risky Asset Value on such preceding Business Day.

PROVIDED THAT (i) if **One to One** is specified in the applicable Final Terms, the Notes will simply be indexed on the constituent(s) of the Risky Asset without any management or allocation strategy being implemented (unless otherwise specified in the applicable Final Terms), (ii) if **Leverage Strategy** is specified in the applicable Final Terms, the Portfolio will consist exclusively in the Risky Asset and **Borrowed Capital** and will remain permanently exposed to such Risky Asset with generally no other management or allocation strategy than the periodical resetting of the Risky Asset Exposure at a specified level (the **Target Exposure Level**) and (iii) if **Specific Strategy** is specified in the applicable Final Terms, the Portfolio shall be managed and allocated in accordance with the specific rules detailed in such Final Terms.

PROVIDED FURTHER THAT in all cases the Risky Asset remains subject to the adjustment provisions set out in Section 4 below.

**French Law Portfolio Management Deed** means any French law portfolio management deed entered into by the Portfolio Manager.

**Portfolio<sub>i</sub>** means the Portfolio Value per Note on the Initial Determination Date being an amount in the Specified Currency equal to a fixed percentage of the Nominal Amount as specified in the applicable Final Terms. Portfolio<sub>i</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and/or any other underlying Risky Asset.

**Portfolio<sub>f</sub>** means the Portfolio Value per Note on the Final Valuation Date as determined by the Calculation Agent. Portfolio<sub>f</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and/or any other underlying Risky Asset.

**Portfolio<sub>t</sub>** means the Portfolio Value per Note on any Valuation Date " $t$ " as determined by the Calculation Agent. Portfolio<sub>t</sub> remains subject to appropriate adjustments made in good faith by the Calculation Agent in relation to certain events affecting any Fund and/or any Unit and/or any other underlying Risky Asset.

**Portfolio Management Deed** means any portfolio management deed entered into by the Portfolio Manager.

**Portfolio Manager** means the entity specified as such in the applicable Final Terms, being the agent responsible for managing and allocating the Portfolio amongst the relevant components; in such capacity, the Portfolio Manager will act in the best interest of the Noteholders pursuant to a Portfolio Management Deed or a French Law Portfolio Management Deed. Should there be no Portfolio Manager specified in any applicable Final Terms, then the Calculation Agent shall assume and carry out the tasks and functions of a Portfolio Manager described herein, which tasks and functions would not imply any active management in that particular case.

**Portfolio Value** means, on any Valuation Date, the difference between (i) the sum of Asset 1, Asset 2, Asset 3 and Asset 4 and (ii) the sum of the Borrowed Capital, the Accrued Management Fees, the Accrued Borrowing

Costs, the Structuring Fees and the Other Fees and Other Cost (if specified as “Applicable” in the applicable Final Terms), applied to the Aggregate Nominal Amount of the Notes.

**Portfolio Value per Note** means, on any Valuation Date, the Portfolio Value on such date divided by the number of Notes Outstanding on such date.

**Reference Level** means, in the context of the Basket Allocation and as specified in the applicable Final Terms, a percentage increasing from an initial level on the Initial Determination Date to a final level on the Final Valuation Date. The Reference Level is intended to be used as a management tool by the Portfolio Manager.

**Risky Asset** means a selection of Risky Funds or a single Risky Fund or any other risky asset specified in the applicable Final Terms and the Other Instruments (if any) related to them.

**Risky Asset Exposure** means the ratio (expressed as a percentage) between the Risky Asset Value and the Portfolio Value.

**Risky Asset Value** means, on any Valuation Date, the sum of Asset 1 and the market value of the related Other Instruments on such Valuation Date, provided that for consistency reason such value may be calculated per Note.

**Risky Fund** means any entity, trust or other form of collective investment scheme having a majority of its assets invested in, or exposed to, diversified assets containing a risky feature, as selected by the Portfolio Manager.

**Unit** means a unit or share of the relevant Fund (collectively the **Units**).

**Valuation Date** means a day on which the Portfolio Value is calculated by the Calculation Agent and shall include the Final Valuation Date and any other dates specified as such in the applicable Final Terms.

## II. DEFINITIONS OF ASSETS

**Asset 1** means, in respect of any Valuation Date “t”, depending on the underlying Risky Asset:

If the underlying Risky Asset is in whole or in part composed of a selection of “n” Risky Funds, the sum of the products, in respect of each Risky Fund “i” in the Portfolio, of (i) the relevant Net Asset Value per Unit and (ii) the relevant number of Units of such Risky Fund “i” in the Portfolio on such Valuation Date “t”, as calculated in accordance with the following formula:

$$\sum_{i=1}^n (Nr_{(i)t} \times NAVr_{(i)t})$$

where:

**Nr<sub>(i)t</sub>** means, in relation to a Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio on such Valuation Date “t”;

**NAV<sub>(i)t</sub>** means, in relation to a Risky Fund “i” the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable to the such Risky Fund “i”, PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, or if the Units redemption orders are not executed at the official Net Asset Value, the Calculation Agent may determine its good faith estimate of NAV<sub>(i)t</sub>;

and/or

If the underlying Risky Asset is in whole or in part composed of a single Risky Fund, the product of the Net Asset Value per Unit and the number of Units of the Risky Fund in the Portfolio on such Valuation Date “t” calculated in accordance with the following formula:  $Nrt \times NAVrt$  (see definitions immediately above);

and/or

If the underlying Risky Asset is in whole or in part composed of an official equity index or any other type of index or composite risky asset, the market value on such Valuation Date “t” of the financial instruments (such as but not limited to, futures, trackers, swaps and treasury instruments) representing the investment value in the relevant underlying as calculated by the Calculation Agent on the basis of an appropriate valuation method it shall select in good faith.

**Asset 2** means, in respect of any Valuation Date “t”, the aggregate Net Asset Value of the Units of the Non Risky Funds in the Portfolio calculated in accordance with the following formula:

$$\sum_i (Nm_{(i)t} \times NAVm_{(i)t})$$

where:

**Nm<sub>(i)t</sub>** means, in relation to a Non Risky Fund “i”, the number of Units of such Fund currently allocated in the Portfolio at such Valuation Date “t”;

**NAV<sub>m(i)t</sub>** means, in relation to a Non Risky Fund “i”, the Net Asset Value per Unit of such Fund prevailing on the Valuation Date “t” after deduction of any redemption fees or subscription fees or other costs otherwise payable in relation to such Non Risky Fund “i”, PROVIDED THAT if the Net Asset Value per Unit of the Fund is not available, the Calculation Agent shall determine its good faith estimate of NAV<sub>m(i)t</sub>.

**Asset 3** means, in respect of any Valuation Date, the sum of the market values of the Other Instruments allocated in the Portfolio, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on such Valuation Date.

**Asset 4** means, in respect of any Valuation Date, the sum of the market values of the components of the Cash allocated in the Portfolio as part of the Non Risky Asset, determined by the Calculation Agent on the basis of a customary relevant marked to market revaluation method on this Valuation Date.

### III. DEFINITIONS OF THE FEES AND COSTS

**Accrued Management Fees** means, in respect of any Valuation Date “t”, the sum of the fees linked to the management of the Portfolio underlying the Notes (“Fees(i)”) accrued - between two successive Valuation Dates (designated as “i-1” and “i”) - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”, determined by the Calculation Agent, in accordance with the following formula:

$$\text{Accrued Management Fees}_t = \sum_{i=t-n}^t \text{Fees}_{(i)}$$

with:

$$\text{Fees}_{(i)} = F \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1; i)}{365}$$

where:

**F** means the percentage specified as such in the applicable Final Terms.

**Portfolio Value<sub>(i-1)</sub>** is the Portfolio Value on the Valuation Date “i-1”.

**N<sub>(i-1; i)</sub>** means the actual number of calendar days between the two successive Valuation Dates “i-1” and “i”, the first one included and the second one excluded.

**n** means the number of Valuation Dates between the latest “payment date” (inclusive) and the Valuation Date “t” (exclusive).

**payment date** means, in respect of any accrued management fees or borrowing costs, the date of payment of such management fees or such borrowing costs.

**Accrued Borrowing Costs** means, on any Valuation Date “t”, the sum of the borrowing costs borne by the Portfolio accrued - between two successive Valuation Dates (designated as “i-1” and “i”) - from and including the Issue Date (or the latest “payment date”, if any) to but excluding such Valuation Date “t”; it shall be calculated as follows:

$$\text{Accrued Borrowing Costs}_t = \sum_{i=t-n}^t \text{BC}_{(i)}$$

where:

$$\text{BC}_{(i)} = \left[ (\text{Rate} + \text{Margin}) \times \text{Portfolio Value}_{(i-1)} \times \frac{N(i-1; i)}{360} \right] \times \text{Max} \left( \text{RAE}_{(i-1)} - 100\%; 0 \right)$$

where:

**Rate** means, as specified in the applicable Final Terms, LIBOR (1M,i-1) determined according to the Specified Currency mentioned in such Final Terms; for instance:

**USD-LIBOR(1M,i-1)** means the rate of deposits in USD for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page LIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent; and

**EURIBOR(1M,i-1)** means the rate of deposits in EUR for a period of 1 month starting on the Valuation Date “i-1” based on the Reuters screen page EURIBOR01 (or any successor page), or any rate which would replace such rate, or otherwise any rate selected by the Calculation Agent.

**Margin** means the margin specified in the applicable Final Terms. Margin may change from time to time according to market conditions.

**RAE<sub>(i-1)</sub>** means the Risky Asset Exposure on Valuation Date “i-1”

**Structuring Fees** means the structuring fees borne by the Portfolio on the Initial Determination Date and determined by the Calculation Agent in accordance with the following formula:

$$\text{Aggregate Nominal Amount} \times \text{SF}$$

where:

**SF** means the percentage specified as such in the applicable Final Terms.

**Other Fees** and **Other Cost** means any other fees or other cost as may be specified in the applicable Final Terms.

**n** means the number of Valuation Dates between the latest “payment date” (inclusive) and the Valuation Date “t” (exclusive).

**payment date** means, in respect of any accrued management fees or borrowing costs, the date of payment of such management fees or such borrowing costs.

#### IV. ADJUSTMENTS AND EXTRAORDINARY EVENTS

In taking any action pursuant to the provisions below the Calculation Agent and the Portfolio Manager shall act in good faith and in the best interests of the Noteholders.

##### (1) In relation to any Risky Fund / Unit

**The events listed from paragraphs (A) to (O) below apply where “Permanent Selection” is specified in the Final Terms, the same applies except paragraphs (A), (C), (F) and (K) where “One to One” is specified in the Final Terms and only paragraphs (B), (D), (E) and (L) apply where “Dynamic Selection” is specified in the Final Terms; in addition in such later case (Dynamic Selection specified) the consequences listed under subparagraphs (i) and (ii) do not apply.**

In the event of the occurrence of any of the following events (each an Extraordinary Event):

- (A) a closure, for any reason, of any subscriptions in the Fund;
- (B) a material or substantial modification of the conditions of the Fund (including, without limitation, a change in the currency, strategies, objectives, guidelines and/or investment policies of the Fund), a modification of the Fund Prospectus or any event or any change affecting the Fund and/or the Units (including, without limitation, interruption, breakdown, suspension or deferral of the calculation or of the publication of the net asset value of the Units, or the disappearance of the net asset value of the Units resulting more particularly from, but not limited to, the winding-up or the termination of the Fund or the cancellation of the registration or of the approval by any relevant authority of the Fund) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, is likely to have a significant effect on the value of the Units;
- (C) a substantial modification in the proportion of the type of assets in which the Fund may invest, as determined in good faith by the Calculation Agent and/or the Portfolio Manager, which would not necessarily lead to a modification of the Fund Prospectus, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on any hedging arrangement to be entered in respect of the Notes;
- (D) a reduction for any reason (including but not limited to the reduction of the Aggregate Nominal Amount of the Outstanding Notes to an amount below €1,000,000 or its equivalent in the Specified Currency) of the number of Units held or likely to be held by the Hedging Counterparty or any of its affiliates, as holder of Units of the Fund for hedging or management purposes;
- (E) a non execution or partial execution, or a suspension by the Fund for any reason of a subscription or redemption order given by the Hedging Counterparty or any of its affiliates, for hedging or management purposes;
- (F) an increase after the Issue Date of the commissions or any taxes in respect of a purchase or redemption of Units or any change in the taxation adversely affecting any payment made by the Fund to the holder of the Units of the Fund, and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on any hedging arrangement entered into in respect of the Notes;
- (G) an increase in the holding by the Hedging Counterparty or any of its affiliates of up to 20 per cent. (unless otherwise specified in the applicable Final Terms) in the underlying Fund or a reduction of the Fund’s total net assets below €25,000,000 (unless otherwise specified in the applicable Final Terms) and which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
- (H) a conversion of the Units into another class of Units or securities or the subdivision, consolidation, merger, sale or other conveyance of all or substantially all the assets of the Fund, to a third party;
- (I) a capital or extraordinary distribution in cash which does not constitute the normal dividend policy of the Fund;

- (J) a reduction of the Fund's total net assets by an amount which, in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the management conditions of the Fund and/or its operating expenses;
- (K) the existence, as determined by the Calculation Agent, of any irregularity in the calculation of the Net Asset Value per Unit where the value resulting from such calculation differs from the level at which Units may be purchased or redeemed;
- (L) any other similar event, which in the reasonable opinion of the Calculation Agent and/or the Portfolio Manager, has or is likely to have a significant effect on the conditions of any hedging arrangements entered into in respect of the Notes;
- (M) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the manager and/or the trustee/custodian of the Fund, or any of the same becomes subject to bankruptcy or regulatory proceedings;
- (N) a cancellation, suspension, or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund;
- (O) the liquidation, dissolution, resignation, consolidation, amalgamation or removal of the Portfolio Manager,

the Calculation Agent, after the consultation of the Portfolio Manager (if any), may:

- (i) make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub> as the Portfolio Manager considers appropriate and for the purpose of paragraph (H) only, replace the Units by the kind and number of units or other securities and property receivable on such conversion, subdivision, consolidation, merger, sale or conveyance by a holder of Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Units and make any adjustment (if necessary) to the value of such Units and/or to the terms of the Notes; or
- (ii) substitute the Fund, in whole or in part, with a new underlying asset with similar economic characteristics, or incorporate an additional underlying risky asset in the Portfolio, and make adjustments to the definition of Portfolio<sub>i</sub>, Portfolio<sub>t</sub> and/or Portfolio<sub>r</sub>, and to the terms of the Notes if necessary, provided that any partial substitution and any incorporation of additional risky asset may only be made by the entity appointed as Portfolio Manager as specified in the applicable Final Terms and not by the Calculation Agent; or
- (iii) consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). If an Early Redemption Event occurs, the Notes shall no longer be linked to the performance of the Risky Asset and the Issuer's obligations under the Notes shall be terminated and the Issuer shall pay or cause to be paid an Early Redemption Amount as if it were a redemption for taxation reasons or an Event of Default on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes, provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and/or the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

(2) **In relation to an underlying equity index**

Upon the occurrence of any event affecting an underlying equity index as detailed in Part 1 of the Equity Technical Annex, the Calculation Agent may in its sole discretion decide to make any adjustment to the underlying equity index or the Notes as set in Part 2 of the Equity Technical Annex to the Prospectus, however, in the event that the underlying equity index ceases to be quoted or calculated, the Calculation Agent may decide in its sole discretion either, to substitute the underlying equity index for another index having similar characteristics or to redeem the Notes at their market value as calculated on the basis of the last published quotation of the underlying equity index and in accordance with the provision “Early Redemption” set out below.

The Early Redemption Amount payable upon the occurrence of an event affecting the underlying equity index as mentioned above will be paid or caused to be paid to the Noteholders as if it were a redemption for taxation reason or an Event of Default on the basis of Market Value as defined in Condition 7(g) (*Early Redemption Amounts*) of the Terms and Conditions of the Notes, provided that the Early Redemption Amount will, as the case may be, wholly or partly depend on the amounts received as the result of the unwinding of hedging arrangements entered into in respect of the Notes.

Should the event cease on or after the decision of the Calculation Agent and the Portfolio Manager to early redeem the Notes, no Noteholder will be entitled to any payment whether of interest or otherwise in respect of the Notes other than the Early Redemption Amount and none of the Issuer, the Dealer, the Portfolio Manager and the Calculation Agent shall have any liability in respect of such early redemption.

(3) **Calculations – Calculation Agent**

The Calculation Agent shall notify the Issuer, which shall in its turn notify the Issuing and Paying Agent and the Noteholders pursuant to the provisions of Condition 19 (*Notices*) of the Terms and Conditions of the Notes. of (a) of any adjustments which are substantial in the opinion of the Calculation Agent, and (b) upon the occurrence of an extraordinary event listed in this Managed Assets Portfolio Technical Annex, of any modification of the composition of the Underlying and/or of Market Value of the Notes payable in respect thereof together with the calculation details if necessary.

The Calculation Agent responsible for calculating the Rate of Interest and/or the Final Redemption Amount and/or interest payable and/or the Early Redemption Amount and in respect of Notes to which this Managed Assets Portfolio Technical Annex applies shall be specified in the applicable Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of manifest error or proven error.



(F) OTHER SECURITY TECHNICAL ANNEX

The following other security technical annex (the **Other Security Technical Annex**) will apply to Final Terms relating to a particular issue of Notes, if such Final Terms state the following:

***"The provisions of the Other Security Technical Annex apply to these Final Terms and such documents shall be read together. In the event of any inconsistency between the Other Security Technical Annex and these Final Terms, these Final Terms shall prevail."***

Terms used in this Other Security Technical Annex, unless specifically defined in the Other Security Technical Annex, shall have the same meanings set out in the Terms and Conditions of the Notes.

**PART 1 - DEFINITIONS**

**I. General Definitions**

**Other Security** means a note or a certificate or a bond or a preference share or a warrant or any other security other than a share, an index, a share or a fund unit, or a share of an investment company or an American depository receipt or a credit risk, the name of which appears in the applicable Final Terms and subject to adjustments pursuant to the provisions of Part 2 "*Events and adjustments*" below.

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

**II. Definitions specific to Preference Share Linked Notes and Warrant Linked Notes**

**Additional Disruption Event** means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging.

**Change in Law** means that, on or after the trade date of any Swap Agreement (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any law or regulation in respect of tax, solvency or capital requirements), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) or the combined effect thereof if occurring more than once, the Calculation Agent determines that (A) it has become illegal for the Issuer to hold, acquire or dispose of any Preference Share or Warrant, as applicable, or to maintain any agreement entered into with the Hedge Counterparty by the Issuer of the Notes relating to the Preference Shares or Warrants, as applicable.

**Final Valuation Date** means the date specified as such in the applicable Final Terms or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares or Warrants, as applicable, falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares or Warrants, as applicable, by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent, in which case the Maturity Date will be postponed accordingly.

**Hedge Counterparty** means any party with which the Issuer enters into one or any number of arrangements in order to hedge the Issuer's obligations to make any payment in respect of the Notes and may, for the avoidance of doubt, include Societe Generale and/or one of its affiliates.

**Hedging Disruption** means that the Hedge Counterparty is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, currency risk) of the Issuer issuing and performing its obligations with respect to the Notes or any agreement entered into with the Hedge Counterparty by the Issuer in respect of the Notes, or (B) realise, recover, receive, repatriate, remit or transfer the proceeds of any such transaction(s) or asset(s).

**Hedge Positions** means any purchase, sale, entry into or maintenance of one or more (a) positions, or loans in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) by the Hedge Counterparty, in order to hedge, individually or on a portfolio basis, the Issuer's obligations in respect of the Notes.

**Increased Cost of Hedging** means that the Hedge Counterparty would incur a materially increased (as compared with circumstances existing on the date(s) on which the Hedge Counterparty enters into the Hedge Positions) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Initial Valuation Date** means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares or Warrants, as applicable, falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares or Warrants, as applicable, by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

**Insolvency Filing** means that the Preference Share Issuer or Warrant Issuer, as applicable, institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer or Warrant Issuer, as applicable, shall not be deemed an Insolvency Filing.

### III. Definitions specific to Preference Share Linked Notes

**Early Redemption Amount** means, in respect of each Note, an amount in the Specified Currency calculated by the Calculation Agent and equal to:

$$\text{Calculation Amount} \times (\text{Preference Share Value Early} / \text{Preference Share Value Initial})$$

**Early Redemption Event** means (i) that the Issuer or any of its affiliates has received an Early Preference Share Redemption Notice, (ii) the Calculation Agent determines that an Extraordinary Event has occurred or (iii) the Calculation Agent determines that an Additional Disruption Event has occurred.

**Early Preference Share Redemption Notice** means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

**Early Redemption Valuation Date** means the date determined by the Calculation Agent following the Early Redemption Event provided that such date shall be a date within a minimum period of time required in order to value the Notes following the early redemption of the Preference Shares and must be a date on which the Preference Shares remain in issue.

**Extraordinary Event** means a Merger Event, a Nationalisation and/or an Insolvency.

**Final Redemption Amount** means, in respect of each Note, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times (\text{Preference Share Value Final} / \text{Preference Share Value Initial})$$

**Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Preference Share Issuer as determined in good faith by the Calculation Agent.

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

**Merger Event** means any (A) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (B)

consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, or takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer, 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.

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

**Preference Share Issuer** means Solentis Investment Solutions PCC.

**Preference Shares** means the preference shares as specified in the applicable Final Terms of the Preference Share Issuer.

**Preference Share Value** means, in respect of any day, the market value of a Preference Share at the Scheduled Closing Time on such day, as determined by the Calculation Agent.

**Preference Share Value Early** means the Preference Share Value on the Early Redemption Valuation Date.

**Preference Share Value Final** means the Preference Share Value on the Final Valuation Date.

**Preference Share Value Initial** means the Preference Share Value on the Initial Valuation Date.

**Scheduled Closing Time** means, for the purpose of this Other Security Technical Annex, the Scheduled Closing Time as defined in Part 1-I.1 of the Equity Technical Annex.

#### IV. Definitions specific to Warrant Linked Notes

**Early Redemption Amount** means, in respect of each Note, an amount in the Specified Currency calculated by the Calculation Agent and equal to

$$\text{Calculation Amount} \times (\text{Warrant Value Early} / \text{Warrant Value Initial})$$

**Early Redemption Event** means that the Calculation Agent determines that a Warrant Termination Event or Additional Disruption Event has occurred.

**Early Redemption Valuation Date** means (i) the date determined by the Calculation Agent following the Additional Disruption Event provided that such date shall be a date within a minimum period of time required in order to value the Notes following the early redemption of the Warrants and must be a date on which the Warrants remain in issue or (ii) the Warrant Termination Date immediately prior to the occurrence of the Warrant Termination Event, as the case may be.

**Final Redemption Amount** means, in respect of each Note, an amount in the Specified Currency calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times (\text{Warrant Value Final} / \text{Warrant Value Initial})$$

**Warrants** means the warrants issued by the Warrant Issuer specified in the applicable Final Terms.

**Warrant Issuer** means the issuer of the Warrants specified in the applicable Final Terms, which may be the Issuer or another entity.

**Warrant Termination Date** means, in respect of a Warrant, the date on which such Warrant is cancelled or terminated as a result of a Warrant Termination Event, as determined by the Calculation Agent.

**Warrant Termination Event** means, in respect of a Warrant, (a) the cancellation or termination of such Warrant for any reason other than (i) by reason of its scheduled exercise by a holder thereof, (ii) its automatic exercise pursuant to its terms or (b) a specified early cancellation event occurs in respect of such Warrant in accordance with its terms.

**Warrant Value** means, in respect of any day, the market value of a Warrant on such day as determined by the Calculation Agent.

**Warrant Value Early** means the Warrant Value on the Early Redemption Valuation Date.

**Warrant Value Final** means the Warrant Value on the Final Valuation Date.

**Warrant Value Initial** means the Warrant Value on the Initial Valuation Date.

## **PART 2 - EVENTS AND ADJUSTMENTS**

This Part 2 shall not apply to Preference Share Linked Notes or Warrant Linked Notes.

- (a) In case of the occurrence at any time on or prior to the last Valuation Date of the material or substantial modifications of the conditions of the Other Security (such as but not limited to modification of the legal documentation related thereto) or any event or any change affecting the Other Security (such as but not limited to definitive interruption of quotation of the Other Security or termination of the obligations of the Issuer of the Other Security under the Other Security for any reason) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Other Security, then, the Calculation Agent may:
- (i) adjust any terms of the Notes, it determines appropriate, in order to take into account the economic effect on the Notes of such event; or
  - (ii) substitute the Other Security with a new underlying asset; or
  - (iii) consider such event as an event triggering the termination of the Notes (a **Termination Event**).
- (b) If a Termination Event occurs in respect of the Other Security on or before the Maturity Date, then, the Calculation Agent shall determine, in good faith, the fair market value of the Notes and the Issuer shall terminate its obligations under the Notes and pay to each Noteholder, as soon as possible after the occurrence of the Termination Event, the amount determined by the Calculation Agent in respect of each Note.

## **PART 3 – HEDGING DISRUPTION, INCREASED COST OF HEDGING AND CONSEQUENCES – CHANGE IN LAW AND CONSEQUENCES.**

The provisions of Part 2-V of the Equity Technical Annex shall apply *mutatis mutandis* to Notes (other than Preference Share Linked Notes or Warrant Linked Notes) to which this Other Security Technical Annex applies as specified in the applicable Final Terms.

## **PART 4 - CALCULATIONS – CALCULATION AGENT - PHYSICAL DELIVERY**

For Preference Share Linked Notes and Warrant Linked Notes the Calculation Agent is Société Générale, unless otherwise specified in the applicable Final Terms. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer, the Guarantor, the Agent and the Noteholders, in the absence of

manifest error or proven error. The provisions of Part 3 of the Equity Technical Annex shall not apply to Preference Share Linked Notes and Warrant Linked Notes.

For Other Securities (excluding Preference Share Linked Notes or Warrant Linked Notes), the provisions of Part 3 of the Equity Technical Annex shall apply *mutatis mutandis* to Notes to which this Other Security Technical Annex applies as specified in the applicable Final Terms.

**PART 5 – EARLY REDEMPTION OF PREFERENCE SHARE LINKED NOTES**

If the Notes are specified in the applicable Final Terms as being Preference Share Linked Notes and if in the determination of the Calculation Agent an Early Redemption Event occurs, the Issuer may (but is not obliged to) give notice to the Noteholders in accordance with Condition 19 (*Notices*) and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount as soon as reasonably practicable following the Early Redemption Valuation Date.

**PART 6 – EARLY REDEMPTION OF WARRANT LINKED NOTES**

If the Notes are specified in the applicable Final Terms as being Warrant Linked Notes, and if in the determination of the Calculation Agent an Early Redemption Event occurs, the Issuer may (but is not obliged to) give notice to the Noteholders in accordance with Condition 19 (*Notices*) and will redeem all (but not some only) of the Notes, each Note to be redeemed by payment of the Early Redemption Amount as soon as reasonably practicable following the Early Redemption Valuation Date.

**(G) DEFINITIONS RELATING TO FORMULAS**

+	means that the item preceding this sign is added to the item following this sign.
-	means that the item following this sign is deducted from the item preceding this sign.
/	means that the item preceding this sign is divided by the item following this sign.
x or *	means that the item preceding this sign will be multiplied by the item following this sign.
>	<p>means that the item preceding this sign is strictly greater than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly higher than the item following this sign for the condition to be met.</p> <p>E.g.: "If <math>X &gt; Y</math> then,..." means that X must be strictly greater than Y for the condition to be met.</p>
<	<p>means that the item preceding this sign is strictly lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be strictly lower than the item following this sign for the condition to be met.</p> <p>E.g.: "If <math>X &lt; Y</math> then,..." means that X must be strictly lower than Y for the condition to be met.</p>
$\geq$	<p>means that the item preceding this sign is equal to or higher than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or greater than the item following this sign for the condition to be met.</p> <p>E.g.: "If <math>X \geq Y</math> then,..." means that X must be equal to or greater than Y for the condition to be met.</p>
$\leq$	<p>means that the item preceding this sign is equal to or lower than the item following this sign. When used in a condition, it means that the item preceding this sign must be equal to or lower than the item following this sign for the condition to be met.</p> <p>E.g.: "If <math>X \leq Y</math> then,..." means that X must be equal to or lower than Y for the condition to be met.</p>
i, j or k	means in respect of the item to which it applies which can be without limitation a date (e.g. "Valuation Date (i)"), an underlying (e.g. "Share (i)") or a combination of underlyings (e.g. "Basket (i)") or a figure obtained pursuant to a formula (e.g. "Coupon (i)"), the designation of such item

	within a countable list, with the use of the variable i, j or k.
<b>i from X to Y</b>	<p>means that within the countable list of the designated item to which i applies (as defined above), only the items with a rank between X and Y both included (X and Y are numbers) are considered.</p> <p><b>i from X to Y and <math>\neq i_0</math></b> by extension the item ranked <math>i_0</math> is excluded from the above list.</p>
$i^k$	<p>means, when an item is designated in a list by 2 variables, the designation of such item in the list.</p> <p>E.g.: "Share <math>i^k</math>" with Valuation Date (k) means Share(i) on the Valuation Date(k).</p>
<b>Min [X;Y]</b>	<p>means that the considered value is the lowest value between the values of the two numbers X and Y.</p> <ul style="list-style-type: none"> <li>- If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the lowest of these two positive values (e.g. Min [3;2] 2 will be retained).</li> <li>- If X is positive and Y negative, Y will be the value retained by application of this formula (e.g. Min [3; -2], -2 will be retained).</li> <li>- If X is negative and Y positive, X will be the value retained by application of this formula (e.g. Min [-3;2], -3 will be retained).</li> <li>- If both X and Y are negative values, the value retained by application of this formula will be the greatest negative value (e.g. Min [-3; -2], -3 will be retained).</li> <li>- If X is positive and Y equal to 0 (e.g. Min [3; 0], Y = 0 will be retained) and if X is negative and Y equal to 0 (e.g. Min [-3; 0], X = -3 will be retained).</li> </ul> <p>The same rule applies, if more than two values are considered.</p>
<b>Max [X;Y]</b>	<p>means that the considered value is the highest value between the values of the two numbers X and Y.</p> <ul style="list-style-type: none"> <li>- If the two values X and Y are positive, the value that will be retained by application of this formula, will be the value that is the highest of these two positive values (e.g. Max [3;2], 3 will be retained).</li> <li>- If X is positive and Y negative, X will be the value retained by application of this formula (e.g. Max [3; -2], 3 will be retained).</li> <li>- If X is negative and Y positive, Y will be the value retained by application of this formula (e.g. Max [-3;2], 2 will be retained).</li> <li>- If both X and Y are negative values, the value retained by application of this formula will be the least negative value (e.g. Min [-3; -2], -2 will be retained).</li> <li>- If X is positive and Y equal to 0 (e.g. Max [3; 0], X = 3 will be retained) and if X is negative and Y equal to 0 (e.g. Max [-3;0], Y = 0 will be retained).</li> </ul> <p>The same rule applies, if more than two values are considered.</p>
<b>Min <math>i</math> from X to Y</b>	<p>means that the considered value of the item to which it applies, will be the lowest of the different values that such item can take determined pursuant to the rules of Min above, when its rank in the list varies from X to Y.</p>

	<p>E.g.: "Min<sub>i from 1 to 5</sub> Share(i)" means that the relevant value to be considered is the lowest value amongst the 5 values that Share(i) takes.</p>
<p><b>Max<sub>i from X to Y</sub></b></p>	<p>means that the considered value of the item to which it applies, will be the greatest of the different values that such item can take determined pursuant to the rules of Max above when its rank in the list varies from X to Y.</p> <p>E.g.: "Min<sub>i from 1 to 5</sub> Share(i)" means that the relevant value to be considered is the greatest value amongst the 5 values that Share(i) takes.</p>
<p><math>\sum_{n=1}^X</math> or Sum<sub>n from 1 to X</sub></p>	<p>means, for the item to which it applies, the sum of the X values that the item will take.</p> <p>E.g.: <math>\sum_{n=1}^{10}</math> - Basket (n) means the sum of the 10 values that Basket (n) takes when n varies from 1 to 10.</p>
<p><math>\frac{1}{X} \times \sum_{n=1}^X</math></p>	<p>means for the item to which it applies, the arithmetic average of the values that the item will take.</p> <p>E.g.: <math>\frac{1}{10} \times \sum_{n=1}^{10}</math> Basket (n) means the arithmetic average of the 10 values that Basket (n) takes.</p>
<p><b> X  or Abs (X) or absolute value of X</b></p>	<p>means that even if X has a negative value this negative value will be disregarded.</p> <p>E.g.:  -10  means that the value to be retained is 10.</p>
<p><b>X<sup>n</sup></b></p>	<p>means that the value to be considered is the result of X multiplied by itself "n-1" times.</p> <p>E.g.: 2<sup>5</sup> means 2*2*2*2*2 (i.e. 2 multiplied by itself 4 times) = 32.</p>
<p><b>√X or the square root of X</b></p>	<p>means that the value to be considered is the number which when multiplied by itself gives X.</p> <p>E.g.: √9 = 3 since 3*3 = 9.</p>
<p><math>\prod_{n=1}^x</math></p>	<p>means, for the item to which it applies, the product of the x values that the item will take.</p> <p>E.g.: <math>\prod_{n=1}^3 (n+1)</math> means (1 + 1)(2 + 1)(3 + 1) = 2 × 3 × 4 = 24</p>
<p><b>"a power b"</b></p>	<p>means the exponential function of b with base a.</p>



<b>LN(x) = ln(x) = Ln(x)</b>	means logarithm to the base e of x, for example LN(2) = 0.69315.
<b>INT(x)</b>	means the function which gives the integer part of the number x (rounded down to the closest integer number).  E.g.: INT(2.3) = 2, INT(1.6) = 1, INT(-1.4) = -2, INT(-4.6) = -5.
<b>IND(condition)</b>	means the characteristic function of the condition which is equal to 1 if the condition is satisfied and which is equal to 0 if the condition is not satisfied.  E.g.: S(0): closing value of the Underlying on Valuation Date(0) S(1): closing value of the Underlying on Valuation Date(1)  if S(0) > S(1), then IND(S(0)>S(1)) = 1  if S(0) = S(1), then IND(S(0)>S(1)) = 0  if S(0) < S(1), then IND(S(0)>S(1)) = 0

**(H) OTHER DEFINITIONS**

The applicable Final Terms may contain other definitions not specifically referred to in this Technical Annex (including, without limitation, Knock-In Level, Knock-Out Level and Exchange Price). The meanings and/or functions of such definitions will be set out in full in the Schedule to the applicable Final Terms.

## ADDITIONAL TERMS AND CONDITIONS FOR SWEDISH NOTES

*If specified as applicable in the applicable Final Terms and so long as the relevant Swedish Notes are in global form the terms and conditions applicable to Swedish Notes shall comprise the terms and conditions of the Notes (the **Conditions**) and the additional Terms and Conditions for Swedish Notes set out below (the **Swedish Note Conditions**) together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion and/or amendment in the applicable Final Terms. So long as the Swedish Notes, are in global form then, in the event of any inconsistency between (i) the Conditions and (ii) the Swedish Note Conditions, the Swedish Note Conditions shall prevail. If the Swedish Notes cease to be in global form the Swedish Note Conditions will no longer apply to such Swedish Notes.*

*In the event of any inconsistency between (i) the Conditions and the Swedish Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail*

### 1 General description of the Swedish Notes

For the purpose of these Swedish Note Conditions, Swedish Notes means any Note issued by the Issuer and designated as "Swedish Notes" in the applicable Final Terms.

#### 1.1 Euroclear Sweden

Beneficial interests in the Swedish Notes will be held in uncertificated and dematerialised book-entry form with a Swedish central securities depository (**Swedish CSD**) which will be Euroclear Sweden AB or any successor acceptable to the Issuer (**Euroclear Sweden**). Euroclear Sweden is a subsidiary within the Euroclear group of companies. Euroclear Sweden is a limited liability company. It is authorised and regulated by the Swedish Financial Supervisory Authority as a central securities depository within the meaning of the Swedish Financial Instruments Accounts Act (Sw. lag (1998:1419) om kontoföring av finansiella instrument) (as amended) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (Sw. lag 2007:528) om värdepappersmarknaden) (as amended). All transactions relating to the beneficial interests in the Swedish Notes (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations. Consequently, in order to effect such entries beneficial owners must establish a book-entry account through a credit institution or a securities firm acting as an account operator with Euroclear Sweden. More information regarding Euroclear Sweden and its rules and operating procedures can be found at its internet web site at <http://www.euroclear.eu>.

#### 1.2 Form of Swedish Notes

Any and all Global Notes issued in respect of Swedish Notes will be deposited upon issuance with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear system and Clearstream. Each Series of Swedish Notes will be shown in the records of Euroclear Bank S.A./N.V. as being held by the Swedish CSD. The Swedish CSD will hold all interests in each Series of Swedish Notes for the sole purpose of enabling clearing and settlement of such interests in uncertificated and dematerialised book-entry form in the records maintained by the Swedish CSD in accordance with the CSD Rules for the benefit of the ultimate beneficial owners.

Beneficial interests in the Swedish Notes will be shown in the records of the Swedish CSD pursuant to such agreement(s) as may be entered into between the Issuer and the Swedish CSD in relation to any Series of Swedish Notes. Such beneficial interests in the Swedish Notes shown in the records of the Swedish CSD will be treated as negotiable instruments and not subject to any restrictions on free negotiability under Swedish law. No beneficial owner is entitled to transfer (and the Swedish CSD will not allow any such transfer), any Swedish Note directly to the records of Euroclear Bank S.A./N.V. and thereby removing such Swedish Notes from the records of the Swedish CSD. Other than as described in the provisions regarding exchange into Definitive Bearer Notes described in the section "Exchange of Permanent Bearer Global Notes and Registered Global Notes upon the occurrence of an Exchange Event", no global or definitive Notes or other physical notes or certificates will be issued in respect of any Swedish Notes shown in the records of the Swedish CSD.

### 1.3 Securitisation Act 2004

By subscribing to the Swedish Notes, or otherwise acquiring the Swedish Notes, the holders of the Swedish Notes expressly acknowledge and accept that the Issuer (i) is subject to the Luxembourg act dated 22 March 2004 on securitisation and (ii) has created a Compartment in respect of the Swedish Notes to which all assets, rights, claims and agreements relating to the Swedish Notes will be allocated. The holders of the Swedish Notes acknowledge and accept the subordination waterfall and the priority of payments included in the issuance documentation relating to the Swedish Notes. The holders of Swedish Notes expressly accept and acknowledge that the Swedish CSD will only distribute payments for the Swedish Notes that the Swedish CSD has received from Euroclear Bank in respect of the relevant Notes.

### 1.4 Swedish Issuer Agent

The Swedish Notes will be shown in the records of the Swedish CSD pursuant to such agreement(s) as may be entered into in relation to any Series of Swedish Notes between, *inter alia*, the Issuer and the Swedish Issuer agent (the **Swedish Issuer Agent**) specified in the applicable Final Terms.

## 2 Amendments to the Terms and Conditions of the Notes in Respect of the Swedish Notes

For the purposes of all Swedish Notes in global form only, the Conditions shall be amended as set forth in this Swedish Notes Condition 2.

### 2.1 Form, Denomination, Redenomination and Title

Condition 1 (*Form, Denomination, Redenomination and Title*) shall be replaced by the insertion of the following:

"The Issuer and the Agents and the Trustee (if applicable) will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt, Coupon or Talon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the following paragraph.

For so long as any of the Swedish Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**), each person who is for the time being shown in the records of the Euroclear Sweden AB or any successor thereto acceptable to the Issuer (the **Swedish CSD**) as the holder of a particular nominal amount of such Notes (in which regard any electronic record, record statement, certificate or other information issued by the Swedish CSD as to the nominal amount of such Notes standing to the account of any person (including but not limited to any person duly authorised to act as a nominee (*Sw. förvaltare*)) shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer and the Agents and the Trustee (if applicable) as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (or any other amounts due and payable) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Agent and the Trustee (if applicable) as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder" and related expressions shall be construed accordingly.

The beneficial interests will be held in Swedish uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and all such other Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish CSD (the **CSD Rules**). Such beneficial interests in the Swedish Notes shown in the records of the Swedish CSD will be treated as negotiable instruments and not subject to any restrictions on free negotiability under Swedish law. No beneficial owner is entitled to transfer (and the Swedish CSD will not allow any such transfer) its interest in any Swedish Notes directly to the records of Euroclear Bank S.A./N.V. and thereby removing such beneficial interests from the records of the Swedish CSD.

Beneficial interests in Swedish Notes will be transferable only in accordance with the Swedish CSD Rules. Title to such beneficial interests in the Swedish Notes shall pass in the records maintained by the Swedish CSD in accordance with the CSD Rules.

The Issuer and/or the Swedish Issuer Agent shall be entitled to obtain information from the register of the Swedish CSD in accordance with the CSD Rules.

All Swedish Notes of the same Series shall have the same denomination.

For so long as it is a requirement of the CSD Rules, the Specified Currency for Swedish Notes may only be SEK or EUR, as specified in the relevant Final Terms.

## 2.2 Interest

Condition 5 (*Interest*) shall be completed by the insertion of the following as a new paragraph after the final paragraph thereof:

“For the purposes of the Swedish Notes, where any period is expressed to run from (and including) a particular date to (but excluding) another date, such period shall instead run from (but excluding) the first date to (and including) the second date.”

## 2.3 Payment

The following paragraph shall be added at the end of Condition 6(d) (Payments in respect of Bearer Global Notes):

Notwithstanding the foregoing, payments due in respect of Swedish Notes shall be made to the bearer of the relevant Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Each holder of beneficial interests in the Swedish Notes must look solely to the Swedish CSD for its share of the payments made to the bearer of the relevant Global Note. The Swedish CSD does not assume the obligations of the Issuer and is only obliged to distribute payments it has received in its capacity as Swedish CSD in respect of the Swedish Notes. Unless otherwise specified in the applicable Final Terms, it is expected that payments of principal and/or interest (or any other amounts due and payable) in respect of Swedish Notes will be received by holders of the beneficial interests in such Swedish Notes holding such interests at an account with the Swedish CSD no later than the seventh business day (as defined by the then applicable CSD Rules) after the date on which such payment becomes due and payable in accordance with the terms and conditions applicable to the relevant Swedish Notes as specified in the applicable Final Terms. Pursuant to the CSD Rules, payments of principal and/or interest (or any other amounts due and payable) in respect of the beneficial interests in any Swedish Notes shall be made to the Noteholders shown as such on the fifth business day (as defined by the then applicable CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the CSD Rules. Such day shall be the **Record Date** in respect of the Notes in accordance with the CSD Rules. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and will be made in accordance with the CSD Rules.”

## 2.4 Redemption and Purchase

Condition 7(c) (*Redemption and Purchase – Redemption at the Option of the Issuer*) shall be completed by the insertion of the following as a new paragraph after the final paragraph thereof:

“Any such redemption in respect of Swedish Notes shall be in accordance with the CSD Rules and the notice to Noteholders shall also specify the Swedish Notes or amounts of the Swedish Notes to be redeemed or in respect of which such option has been so exercised and the procedures for partial redemptions laid down in the CSD Rules.”

## 2.5 Substitution

Condition 13(e) (*Meeting of Noteholders; Modifications; Waiver; Trustee Determination - Substitution*) shall be completed by the insertion of the following as a new paragraph after the final paragraph thereof:

"In respect of any such substitution of the Issuer of any Series of Swedish Notes, the substitution will, in addition to the other criteria set forth above in this Condition, be subject to the prior written consent of the Swedish CSD so long as the Notes are in global form."

## **2.6 Agents**

Condition 15 (*Issuing and Paying Agent and Paying Agents*) shall be completed by the insertion of the following as a new paragraph after the final paragraph thereof:

"References in the Conditions to the "Paying Agent" shall include the Swedish Issuer Agent or any additional or successor Swedish Issuer agent. The Issuer reserves the right at any time to vary or terminate the appointment of the Swedish CSD and the Swedish Issuer Agent and to appoint a substitute Swedish central securities depository or agent, provided that the Issuer shall at all times maintain a Swedish CSD which shall be a duly authorised central securities depository under the Swedish Financial Instruments Accounts Act and a Swedish Issuer Agent in Sweden duly authorised under the CSD Rules.

The Swedish Issuer Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency or trust with the Noteholders, other than to the extent any such obligations result from mandatory provisions in the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*)."

## **2.7 Notices**

Condition 19 (*Notices*) shall be completed by the insertion of the following as a new paragraph after the final paragraph thereof entitled *Notices regarding EUI Notes*:

*"Notices regarding Swedish Notes*

Notwithstanding the foregoing, all notices regarding the Swedish Notes will be deemed to be validly given if sent by mail to beneficial owners at the address for such Noteholder in the records maintained by the Swedish CSD in accordance with the CSD rules. Any such notice shall be deemed to have been given, if sent by mail to the Noteholders, on the fourth day following the day the notice was sent by mail. Notices to be given by any holder shall be in writing and given by lodging the same with the Swedish Issuer Agent."

**USE OF PROCEEDS**

The net proceeds of each Series of Notes and any Related Notes will be used to acquire the assets which will comprise the Charged Assets, to enter into any agreement (including, without limitation, any Related Agreement) in connection with any such Notes and to pay expenses or other amounts in connection with the administration of the Issuer and/or the Notes and any Related Notes. If, in respect of any Series of Notes, there is a particular identified use of proceeds, in addition to or other than the foregoing, this will be stated in the applicable Final Terms.

## **DESCRIPTION OF THE GUARANTOR**

Please refer to the cross reference list for Societe Generale in the “*Documents Incorporated by Reference*” section.

### **Recent Developments**

The press release dated 22 May 2012 relating to "Annual General Meeting and Board of Directors of 22 May 2012". Such document is available on the website [www.societegenerale.com](http://www.societegenerale.com).

Change in the composition of the Board of Directors: Patrick Delicourt has been replaced by Béatrice Lepagnol as Director elected by employees.

### *Recent Issues*

Since January 2012, Societe Generale has issued, amongst others, the following two series of Notes:

- 1) Nominal amount of EUR 1,000,000,000.00 2 years floating rate note issued on March 1<sup>st</sup> 2012;
- 2) Nominal amount of EUR 750,000,000.00 5 years fixed rate note issued on March 1<sup>st</sup> 2012, which was increased by an additional amount of EUR 350,000,000.00 on April 2<sup>nd</sup> 2012.



## DESCRIPTION OF CODEIS SECURITIES SA

### Information relating to Codeis Securities SA

#### **General**

The Issuer was incorporated in the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with unlimited duration on 27 February 2008 under the name Codeis Securities SA and is registered with the Luxembourg trade and companies register under number B.136.823. The Issuer was established as a regulated securitisation undertaking under the Securitisation Act 2004 in order to offer securities in accordance with the provisions of such act and is authorised and supervised by the CSSF.

The Articles of Incorporation of the Issuer were published in the *Mémorial, Recueil des Sociétés et Associations* on 4 April 2008, number C829 on page 39754.

The registered office of the Issuer is at 26, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg.

The telephone number of the Issuer is +352 22 88 51 1 and the fax number of the Issuer is +352 46 48 44.

The share capital of the Issuer amounts to EUR 909,090.91 divided into 90,908,090 class O shares (the **Class O Shares**), 1,000 class P shares (the **Class P Shares**) and 1 class T share, in registered form without a par value (the **Class T Share** and, together with the Class O Shares and the Class P shares, the **Issuer Shares**), all of which are fully paid. The issued Class O Shares and Class P Shares are held by Societe Generale and the Class T Share is held by the Trustee. Each Issuer Share is entitled to one vote.

It is important to note that a resolution of the extraordinary general meeting of the shareholders of the Issuer regarding (1) the dissolution of the Company or (2) the amendment of the Issuer's Articles of Incorporation is validly adopted only if such dissolution or such amendment (as the case may be) has been approved by the holder of the Class T Share.

All Class P Shares and all related rights and assets (including the monies paid for the subscription of the Class P Shares and any share premium relating thereto (the **Subscription Monies**)) and the assets purchased with the Subscription Monies are allocated to the Category X Compartment.

#### **Principal activities of the Issuer**

The principal activities of the Issuer are those which are set out in the Issuer's corporate objects clause, which is clause 4 of the Articles of Incorporation.

The corporate objects of the Issuer are to enter into, perform and serve as a vehicle for, any securitisation transactions as permitted under the Securitisation Act 2004.

The Issuer may acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, structured deposits, receivables and/or other goods, structured products relating to commodities or assets (including securities of any kind), either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties, by issuing securities (*valeurs mobilières*) of any kind whose value or return is linked to these risks. The Issuer may assume or acquire these risks by acquiring, by any means, claims, structured deposits, receivables and/or other goods, structured products relating to commodities or assets, by guaranteeing the liabilities or commitments of third parties or by binding itself in any other way. The method that will be used to determine the value of the securitised assets will be set out in the relevant issue documentation proposed by the Issuer.

The Issuer may, within the limits of the Securitisation Act 2004, proceed, so far as they relate to securitisation transactions, to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind

(including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above) in accordance with the provisions of the relevant issue documentation.

The Issuer may, within the limits of the Securitisation Act 2004 and for as long as it is necessary to facilitate the performance of its corporate objects, borrow in any form and enter into any type of loan agreement. It may issue notes, bonds (including exchangeable or convertible securities and securities linked to an index or a basket of indices or shares), debentures, certificates, shares, beneficiary parts, warrants and any kind of debt or equity securities, including under one or more issue programmes. The Issuer may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Act 2004 and provided such lending or such borrowing relates to securitisation transactions, to its subsidiaries or affiliated companies or to any other company.

The Issuer may, within the limits of the Securitisation Act 2004, give guarantees and grant security over its assets in order to secure the obligations it has assumed for the securitisation of those assets or for the benefit of investors (including their trustee or representative, if any) and/or any issuing entity participating in a securitisation transaction of the Issuer. The Issuer may not pledge, transfer, encumber or otherwise create security over some or all of its assets or transfer its assets for guarantee purposes, unless permitted by the Securitisation Act 2004.

The Issuer may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Issuer's corporate objects. The Issuer may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

The Board is entitled to create one or more compartments (within the meaning of article 62 of the Securitisation Act 2004 and representing the assets of the Issuer relating to an issue by the Issuer of shares or debt securities), in each case, corresponding to a separate part of the Issuer's estate and constituting each either a Category A Compartment or a Category B Compartment or the Category X Compartment. A category A Compartment will be referred to as Compartment A (including the relevant individual identification number), a Category B Compartment will be referred to as Compartment B (including the relevant individual identification number) and the Category X Compartment will be referred to as Compartment X.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate objects of the Issuer shall include any transaction or agreement which is entered into by the Issuer, provided it is not inconsistent with the foregoing enumerated objects.

In general, the Issuer may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects to the largest extent permitted under the Securitisation Act 2004.

### **Capitalisation**

The following table sets out the capitalisation of the Issuer as at the date of the annual financial statements as of 31 December 2011.

Shareholders' Funds:

Share capital (Issuer Shares)	EUR 909,091
Share premium	EUR 90,909
Lost brought forward	EUR (176,226)

Gain / (Loss) for the financial year EUR (46,617)

Total Capitalisation **EUR 777,157**

***Indebtedness***

As at the date of the annual financial statements as of 31 December 2011, the Issuer has total indebtedness equivalent to EUR 1,088,580,130.00 including amounts owed to credit institutions and other creditors (including bond and warrant holders).

***Administration, Management and Supervisory Bodies***

The chairman and the directors of the Issuer are as follows:

<i>Chairman</i>	<i>Business address</i>	<i>Principal outside activities</i>
Matthieu Fortin	41, Tower Hill EC3N 4SG London England	Employee of Societe Generale

<i>Directors</i>	<i>Business address</i>	<i>Principal outside activities</i>
Patrick Vincent	11, avenue Emile Reuter, L-2420 Luxembourg	Employee of Societe Generale

Sophie Robatche-Claive	Tour Societe Generale 17 cours Valmy 92987 Paris La Défense	Employee of Societe Generale
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Christophe Guignard	Tour Societe Generale 17 cours Valmy 92987 Paris La Défense	Employee of Societe Generale
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Ivo Hemelraad	15, rue Edward Steichen L-2540 Luxembourg	Managing Director of Vistra (Luxembourg) S. à r.l. and Vistra Fund Services S. à r.l.
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Each of the directors confirms that there is no conflict of interest between his or her duties as a director of the Issuer and his or her principal and/or other outside activities.

Société Générale Securities Services Luxembourg acts as administrative and corporate agent of the Issuer (the **Corporate Services Agent**). Pursuant to the terms of the administrative and corporate agent agreement dated 1 September 2008 and entered into between the Corporate Services Agent and the Issuer, the Corporate Services Agent will perform in Luxembourg certain administrative and corporate agent services. In consideration of the foregoing, the Corporate Services Agent will receive an annual fee out of the net assets of the Issuer, as agreed by the parties and detailed in a separate letter. The appointment of the Corporate Services Agent may be terminated, in principle, by either the Issuer or the Corporate Services Agent upon not less than 90 calendar days' prior notice.

No corporate governance regime to which the Issuer would be subject exists in Luxembourg as at the date of this Base Prospectus.

***Financial Statements***

The financial year of the Issuer is the calendar year, save that the first financial year was from the date of incorporation to 31 December 2008. The Issuer has approved and deposited with the Luxembourg trade and companies register audited financial statements in respect of the period ending on 31 December 2011. These

financial statements have been audited by Ernst & Young S.A. and are incorporated by reference into this Base Prospectus (please see the section headed "*Documents Incorporated by Reference*").

In accordance with articles 72, 74 and 75 of the Luxembourg Act dated 10 August 1915 on commercial companies, as amended, the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The ordinary general meeting of shareholders takes place annually on the twenty-first of April or, if such day is not a business day for banks in Luxembourg, the next following business day in Luxembourg at 11.30 a.m. at the registered office of the Issuer or at such other place in Luxembourg as may be specified in the convening notice.

The financial statements in respect of the period ending on 31 December 2011 and any future published annual audited financial statements prepared for the Issuer will be obtainable free of charge from the specified office of the Paying Agents and the Issuer, as described in the section headed "*General Information*".

***Independent Auditor***

For the financial years ended on 31 December 2010 and 31 December 2011 respectively, the annual accounts of Codeis Securities SA were audited, in accordance with International Standards on Auditing as adopted with Luxembourg by the *Commission de surveillance du secteur financier*, by Ernst & Young SA (*société anonyme*), 7, rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L-5365 Munsbach.

Ernst & Young SA has the status of *réviseurs d'entreprises agréés* and belongs to the Luxembourg institute of auditors (*Institut des réviseurs d'entreprises*).

The independent auditor of Codeis Securities SA has no material interest in Codeis Securities SA.

## **DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES**

The following is a summary description of the Preference Share Issuer and the Preference Shares.

### *The Preference Share Issuer*

Solentis Investment Solutions PCC (the **Preference Share Issuer**) is a protected cell company, incorporated with limited liability in Jersey under the Companies (Jersey) Law 1991 on 13 May 2010 with registered number 105685 and established as an unregulated exchange traded fund pursuant to the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008, notice of which has been provided to the Registrar of Companies in Jersey pursuant to that order. Its registered office is at 22 Grenville Street, St. Helier, Jersey, JE4 8PX.

The Preference Share Issuer is authorised to issue an unlimited number of no par value shares designated as ordinary shares and to create an unlimited number of protected cells.

Each protected cell will be authorised to issue ordinary shares of no par value and preference shares of no par value. The ordinary shares are held by or on behalf of The Solentis Investment Solutions Charitable Trust on trust for charitable purposes. The assets and liabilities of each cell are segregated from assets and liabilities of other cells and any non-cellular assets and liabilities of the Preference Share Issuer.

The Preference Shares of a cell may be offered and issued to investors pursuant to the terms agreed with the Preference Share Issuer. Societe Generale acts as cell sponsor in respect of each cell as well as determination agent and collateral manager in respect of the preference shares. Other service providers act as investment manager, custodian, principal paying agent, registrar and corporate administrator to the Preference Share Issuer or in respect of the preference shares as applicable.

### *Documents for Inspection*

Copies of the Preference Share Issuer's constitutional documents will be available for inspection at the registered office of the Preference Share Issuer (acting in respect of the Preference Share Issuer and each relevant Cell (as applicable)), in each case during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for 14 days following the date of each Supplemental Memorandum. The Private Placement Memorandum and any applicable Class specific Supplemental Memorandum can be obtained by any interested investors from Societe Generale.

### *Please note*

Copies of the Memorandum and Articles of Association (and, after publication thereof, the Annual Accounts) may be obtained by Shareholders from the Corporate Administrator at its registered office on request subject to payment of a reasonable sum.

### *The Preference Shares*

The Preference Share Issuer is authorised to issue an unlimited number of redeemable preference shares (the Preference Shares) of no par value, designated as ordinary shares and create unlimited number of protected cells, issued in the form of a single Series of Preference Shares. Each Series of Preference Shares may comprise one or more Classes of Preferences Shares as specified in the relevant Supplemental Memorandum. Each Class of Preference Shares may have different features.

The Preference Share Issuer may issue redeemable preference shares of any kind, including but not limited to preference shares linked to a specified index or basket of indices, share or basket of shares, currency or basket of currencies, debt instrument or basket of debt instruments, commodity or basket of commodities, fund unit or share or basket of fund units or shares or to such other underlying instruments, bases of reference or factors (each a **Preference Share Underlying**) and on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant series of preference shares (the

**Preference Share Terms**). The Preference Share Terms, and any non-contractual obligations arising out of or in connection with the Preference Share Terms and any non-contractual obligations arising out of or in connection with them, are governed by and construed in accordance with Jersey law.

The Preference Share Terms provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the performance of the Preference Share Underlying.

The Preference Share Terms also provide that the Preference Share Issuer may redeem the Preference Shares early if:

- (a) the calculation agent in respect of the Preference Shares determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (b) any event occurs in respect of which the provisions of the Preference Share Terms relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be redeemed; or
- (c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or
- (d) the Preference Share Issuer is notified that the Preference Share Linked Securities have become subject to early redemption.

The value of the Preference Shares will be published on each Business Day with respect to any city or place, a day on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign currency deposits) in such city or place or as defined in the relevant Supplemental Memorandum for each Series of Preference Shares.

#### *The Preference Share Underlying*

The performance of the Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked.

Investors should review the Preference Share Terms and the Preference Share Issuer's private placement memorandum, relevant Supplemental Memorandum and other constitutional documents and consult with their own professional advisers if they consider it necessary.

## BOOK ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream, Luxembourg, EUI or SIX SIS Ltd (together, for the purposes of this section, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book Entry Systems

#### DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations (**Direct Participants**). DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual Purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name

of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Agent, on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances set out in the Global Notes, DTC will exchange the DTC Notes for Registered Definitive Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth in the section headed "*Subscription, Sale and Transfer Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.



### *SIX SIS Ltd*

SIX SIS Ltd has been part of SIX Group since January 2008. SIX Group was formed at the beginning of 2008 through the merger of SWX Group, SIS Group and Telekurs Group.

As both a central securities depository and an international central securities depository SIX SIS Ltd offers banks and other financial market participants the safe custody of securities, a full range of custody services and the settlement of securities transactions. SIX SIS Ltd settles securities transactions worldwide, including transactions in uncertificated securities.

In the Swiss market, SIX SIS Ltd is part of the so-called Swiss value chain. The links to the SIX Swiss Exchange Ltd and the payment systems SIC/euroSIC, ensure fully automated settlement in central bank money.

### **Book-entry Ownership of and Payments in respect of DTC Notes**

Subject to the paragraph below, the Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

If the applicable Final Terms indicate that (a) any such Global Note that is a Bearer Global Note is intended to be a New Global Note or (b) any such Registered Global Note is intended to be a NSS Global Note (as the case may be), it will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg (the **Common Safekeeper**). Ownership of beneficial interests in such Global Notes accepted by the Common Safekeeper will be shown on, and the transfer of such ownership will be effected only through, records maintained by such Common Safekeeper or its nominee.

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Issuing and Paying Agent, the Registrar or the Issuer. Payment of principal, premium (if any) and interest (if any) on Notes to DTC is the responsibility of the Issuer.

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in

definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described in the section headed “*Subscription, Sale and Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three Business Days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Issuing and Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

### **CREST and CREST Depository Interests**

#### *CREST*

EUI Notes will be held in registered uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any amendment, modification or re-enactment thereof for the time being in force (the **Regulations**) and as such are dematerialised and not constituted by any physical document of title. The EUI Notes are participating securities for the purposes of the Regulations. Other than in the case of Uncertificated SIS Notes, title to the EUI Notes is recorded on the relevant Operator register of corporate securities. The EUI Agent on behalf of the Issuer shall, in relation to the EUI Notes, maintain a record of uncertificated corporate securities in accordance with the records of Euroclear UK & Ireland Limited (**EUI** or **CREST**) (formerly known as CRESTCo Limited) (the **Record**) and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator. Subject to this requirement and except in the case of Uncertificated SIS Notes, (i) each person who is for the time

being shown in the Record as the holder of a particular number of EUI Notes shall be treated by the Issuer and the EUI Agent as the holder of such number of EUI Notes for all purposes (and the expression **EUI Holder** and related expressions shall be construed accordingly), and (ii) neither the Issuer, the Guarantor nor the EUI Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Uncertificated Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the EUI Notes.

#### *CREST Depository Interests*

Following their delivery into Euroclear and Clearstream, Luxembourg, interests in Notes may be delivered, held and settled in CREST by means of the creation of dematerialised depository interests representing the interests in the relevant Notes.

Pursuant to the CREST Reference Manual, Notes held in global form by the Common Depository may be settled through the CREST system, and CREST Depository Limited (the **CREST Depository**) will issue CREST Depository Interests (**CDIs**). The CDIs will be independent securities, constituted under English law which may be held and transferred through the CREST system.

The CDIs will be created pursuant to and issued on the terms of a deed poll executed by the CREST Depository in favour of the holders of the CDIs from time to time (the **CREST Deed Poll**). Prospective holders of CDIs should note that they will have no rights against CRESTCo or its subsidiaries in respect of the underlying Notes, interests therein, or the CDIs representing them.

Interests in the underlying Notes will be credited to the CREST nominee's account with Euroclear and the CREST nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated as one underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the underlying Notes on trust for such CDI holder. CDI holders will also be able to receive from the CREST Depository notices of meetings of holders of underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in underlying Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such underlying Notes to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same international security identification number (ISIN) as the underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of the CREST Reference Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository.

The rights of the holders of CDIs will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Reference Manual (which forms part of the CREST Reference Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

## TAXATION

THE FOLLOWING SECTION PROVIDES INFORMATION AS OF THE DATE OF THIS PROGRAMME ON TAXES ON THE INCOME FROM THE NOTES WITHHELD AT SOURCE IN RESPECT OF (I) THE COUNTRIES OF THE REGISTERED OFFICES OF THE ISSUER AND THE GUARANTOR AND (II) THE COUNTRIES WHERE OFFERS OF NOTES MAY BE MADE OR ADMISSION TO TRADING MAY BE SOUGHT. SUCH INFORMATION IS NOT INTENDED TO PROVIDE AN EXHAUSTIVE DESCRIPTION OF THE POTENTIAL TAX ISSUES ASSOCIATED WITH THE NOTES. ACCORDINGLY, ANY INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES SHOULD OBTAIN INDEPENDENT TAX ADVICE ON THE TAXATION IMPLICATIONS FOR IT, IN EACH RELEVANT JURISDICTION, OF PURCHASING, OWNING OR DISPOSING OF ANY NOTE.

Prospective Purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

### 1. EUROPEAN UNION

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive and subject to a number of conditions being met, Member State are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Savings Directive (interest, products, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (or certain limited types of entities established in that other Member State) (the **Disclosure of Information Method**). For these purposes, the term "paying agent" is widely defined 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).

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests' payments. The rate of such withholding tax equals 35 per cent. Such transitional period will expire at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rate of 35 per cent. and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive. A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

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

## 2. JURISDICTIONS OF THE ISSUER AND THE GUARANTOR

### FRANCE

#### **Withholding tax on payments made by the Guarantor to non-French tax residents**

There is no direct authority under French law on the withholding tax status of payments by the Guarantor under the Guarantee. Hence, the statements below are based on the interpretation of general French tax principles and any future legislative, judicial or administrative development may affect, potentially with retroactive effect, such statements.

Under one interpretation of French tax law, payments made by the Guarantor of any amount due by the Issuer to a Noteholder which is a non-French tax resident and which is not acting through a French establishment or branch may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Accordingly, under this interpretation, payments made by the Guarantor of any amounts due by the Issuer under the Notes should be exempt from the withholding tax set out under article 125 A III of the *Code général des impôts*, to the extent that interest payments made or to be made by the Issuer would be exempt from withholding tax by reason of the Issuer not being resident of, or otherwise established in, France.

Under another interpretation, any such payment may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in article 125 A III of the *Code général des impôts*, such payments should be exempt from the withholding tax set out under article 125 A III of the *Code général des impôts*.

In the improbable case that none of the two above interpretations would prevail and if the payments by the Guarantor under the Guarantee would qualify as interest payments paid by a French debtor within the meaning of article 125 A III of the *Code général des impôts*, such payments would be exempt from any taxes, duties or other charges of whatever nature by way of deduction or withholding by the Republic of France or any political subdivision or authority thereof or therein having power to tax, unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of article 238-0 A of the *Code général des impôts*.

#### **EU Savings Directive**

Under EC Council Directive 2003/48/EC (the **Savings Directive**) on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within 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 they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures with effect from the same date.

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

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

#### **Payments made to French tax residents**

The French tax residents Noteholders, be they individuals or legal entities, should verify the taxation applicable to their particular situation. The Noteholders should be aware that the information provided in this document is merely a summary of the applicable French income tax regime or French corporation tax regime and that they should consult their own tax advisors in order to determine the tax consequences which apply to them when purchasing, holding, or disposing of the Notes.

The wealth tax consequences of the purchase of the Notes are not examined in this prospectus.

#### *French tax resident individuals*

##### *Income*

Under the laws, regulations and administrative guidelines now in force in France, the income derived from Notes (interest and redemption premium, as set out in article 238 septies A of the French *Code Général des Impôts*) held as private assets by individuals domiciled in France for tax purposes are subject to:

- (i) a progressive scale of income tax (in this case, income subject to income tax is reduced by deductible expenses, such as custody and coupon-payment costs),
- (ii) or, optionally, a flat withholding income tax rate of 24 per cent. ("*prélèvement forfaitaire libératoire*" - Article 125 A of the French *Code Général des Impôts*). This option must be expressly specified by the beneficiary, at the very latest, when the income is received.

Whatever the taxpayer decides, interest and bond redemption premiums are subject to the following social security contributions at a global rate of 13.5 per cent. (15.5 per cent. from 1 July 2012):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2 per cent. (Article 1600-O D and O E of the *Code Général des Impôts*). When income subject to this contribution is taxed to a progressive scale income tax (ie in the absence of option for the standard withholding income tax referred to above -*prélèvement forfaitaire libératoire* -) up to 5.8 per cent. of the general social security contribution paid is deductible, from global income that is subject to income tax for the year of payment of the aforementioned contribution (Article 154 *quinquies* II of the *Code Général des Impôts*),
- (ii) social security (*prélèvement social*) at 3.4 per cent. (5.4 per cent. from 1 July 2012 - Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3 per cent. (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 per cent. to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5 per cent. (Article 1600-0 J and O L of the *Code Général des Impôts*).

##### *Capital gains*

Under current legislation, capital gains made by individuals domiciled in France for tax purposes on the sale of Notes are taxable at a rate of 19 per cent. (Article 150-0A *et seq.* and 200 A 2 of the *Code Général des Impôts*) to which is added the following social security contributions (at a global rate of 15.5 per cent.):

- (i) general social security contribution (*contribution sociale généralisée*) at 8.2 per cent. (Article 1600-OC and OE of the *Code Général des Impôts*),

- (ii) social security (*prélèvement social*) at 5.4 per cent. (Article 1600-0 F bis of the *Code Général des Impôts*),
- (iii) an additional social security contribution (*contribution additionnelle au prélèvement social*) at 0.3 per cent. (Article L.14-10-4 of the *Code de l'action sociale et des familles*),
- (iv) an additional social security contribution at 1.1 per cent. to finance social welfare (*contribution additionnelle au prélèvement social destinée au financement du revenu de solidarité active*) (Article L.262-24 of the *Code de l'action sociale et des familles*),
- (v) social security debt reimbursement contribution (*contribution pour le remboursement de la dette sociale*) at 0.5 per cent. (Article 1600-0 J and O L of the *Code Général des Impôts*).

#### *Capital losses*

Capital losses on sales are only deductible from capital gains of the same kind realised during the year of sale or the next ten years.

#### **Payments made to legal entities subject to standard corporation tax**

##### *Income*

Interest on Notes held by legal entities liable to corporation tax is included in taxable income for the year.

The bond redemption premium is the difference between amounts or securities to be received and those paid out when the Notes are acquired. The bond redemption is taxable at the time of redemption. However, if the premium exceeds 10 per cent. of the cost of acquiring the Notes and the average issue price of the Notes does not exceed 90 per cent. of the redemption value, the bond redemption premium will be spread out over the life of the Notes under the following conditions.

The fraction of premium and interest to be applied to taxable income up to the date of redemption of a Note is determined by applying to the acquisition cost (increased if necessary by the fraction of the capitalised premium and interest on the anniversary of the borrowing thus allowing the progressive taxation of annuities), the actuarial rate of interest determined at the acquisition date.

Interest and redemption premiums are taxable at a rate of 33.33 per cent. (or at a reduced rate of 15 per cent. under certain conditions and within certain limits for companies specified in Article 219 I b) of the *Code Général des Impôts*) to which is added a social security contribution at 3.3 per cent. calculated on the amount of corporate tax, with an allowance of Euro 763,000 for each 12-month period. Besides, an additional contribution of 5 per cent. will apply for fiscal years ending between 31 December 2011 and 31 December 2013 to companies with turnover exceeding €250 millions.

##### *Capital gains*

Under current legislation, capital gains (exclusive of accrued interest) realised when Notes are sold by legal entities domiciled in France for tax purposes are taken into account in order to determine a legal entity's taxable income under the general regime.

Under the general regime, capital losses are deductible from taxable income.

#### **Legal entities carrying out commercial activity subject to income tax**

##### *Income*

The rules for the affectation and taxation of interest and redemption premiums are identical to those described above concerning legal entities liable to corporation tax.

##### *Capital gains*

If the Notes have been held for more than two years, the capital gain on a sale is defined as a long-term capital gain on a sale subject to tax at a rate of 16 per cent. to which is added social security contributions (which translates as a global rate of 29.5 per cent.).

If they have not been held for more than two years, the short-term capital gain will be taken into account in determining the taxable net income under the general regime.

Net long-term capital losses can be affected to the losses for the (tax) year and/or offset against long-term capital gains realised within the course of either the (tax) year or next 10 (tax) years.

#### **Other Noteholders**

Noteholders subject to a different tax regime than those described above should consult their own tax advisers in order to determine the tax consequences that apply to them when purchasing, holding, or disposing of the Notes.

#### **LUXEMBOURG**

The following summary is of a general nature only 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. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*), generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

#### **Withholding Tax**

##### **(a) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Saving Laws**), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

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



**(b) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by Luxembourg resident holders of Notes.

Under the Relibi 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 resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to a withholding tax of 10 per cent.

**Income Taxation**

**(a) Non-resident holders of Notes**

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

**(b) Resident holders of Notes**

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

*Luxembourg resident corporate holder of Notes*

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

*Luxembourg resident individual holder of Notes*

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Notes, acting in the

course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

### **Net Wealth Taxation**

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate management companies, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

### **Other Taxes**

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a nominal registration duty may be due upon the registration of the Notes in Luxembourg in the case of legal proceedings before Luxembourg courts or in case the Notes must be produced before an official Luxembourg authority, or in the case of a registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

## **3. OTHER JURISDICTIONS**

Any terms defined in this Section 3 in connection with a particular jurisdiction relate only to the information provided in connection with that jurisdiction.

### **BELGIUM**

*The following summary describes the principal Belgian tax considerations with respect to the holding of Notes. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.*

*Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.*

### **Withholding Tax and Income Tax**

For Belgian tax purposes, interest includes any interest paid on the Notes as well as any amount paid in excess of the initial price upon redemption or purchase by the Issuer.

### **Individuals resident in Belgium**

For individuals subject to Belgian personal income tax who are not holding Notes as professional investors, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. The current applicable withholding tax rate is 21 per cent (applicable as from January 1, 2012). In addition, a supplementary contribution of 4 per cent. is applicable for investors who have received dividend and certain interest income exceeding an aggregate annual total of 13 675 EUR (2012 indexed amount : 20 020 EUR). The investor may opt for withholding of this supplementary contribution. In that case, the withholding tax increased by the supplementary contribution amounts to 25 per cent. and can be the final tax. If the investor does not request for the withholding of this supplementary contribution of 4 per cent, the investor will have to report this interest payment in his or her yearly personal income tax return. Application of the local surcharge on interest reported in the yearly personal income tax return is currently subject to discussions and no further comments can be provided in this regard at the time of drafting this summary. If no Belgian intermediary is involved in the interest payment, the investor must report this interest as movable income in his or her personal income tax return. Such income will, in principle, be taxed separately, currently at a rate of 21 per cent (plus the abovementioned supplementary contribution of 4 per cent., if any, and the local surcharge if applicable).

Any capital gain upon a sale of Notes, not allocated to the professional activity of the individual, to a party other than the Issuer, except for that part of the sale price attributable to the pro rata interest component, is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of a non-professional investment). The investor must report the interest as income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 21 per cent. (plus the abovementioned supplementary contribution of 4 per cent., if any, according to the same conditions as described above, and the local surcharge if applicable), unless it can be demonstrated that such income will be subject to the 21 per cent Belgian withholding tax together with the supplementary contribution of 4 per cent. upon maturity.

If a levy has been applied according to European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the **Savings Directive**), this levy does not free the Belgian individual from the obligation to declare the interest income in the personal income tax return. However, this levy will be credited against personal income tax, and any excess amount will be refunded. The levy can also apply to interest paid through paying agents of certain dependent or associated territories, including, as the case may be, Curaçao.

Losses on the Notes held as a non-professional investment cannot usually be deducted.

### **Belgian resident corporations**

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 21 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalization bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes will form part of that company's taxable profit. The current nominal corporate income tax rate in Belgium is 33.99 per cent.

Losses on the Notes are, in principle, tax deductible.

### **Other Belgian legal entities**

For other Belgian legal entities subject to the legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 21 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 21 per cent. No other legal entities income tax will be levied on this income. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Any capital gain on a sale of the Notes to a party not being the Issuer will, in principle, be tax exempt, except for that part of the sale price attributable to the pro rata interest component. Such interest is subject to withholding tax, currently at the rate of 21 per cent. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

### **Belgian non-residents**

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 15 per cent. withholding tax. If the Noteholder is a resident of a country that has entered into a double taxation agreement with Belgium, a reduction or an exemption of withholding tax may be applicable under specified circumstances.

Non-resident Noteholders can obtain an exemption of Belgian withholding tax on interest from the Notes if they deliver an affidavit confirming their non-resident status, provided (i) they hold the Notes in full ownership or usufruct; (ii) the Notes are paid through a Belgian financial institution, stock market company or clearing institution and (iii) the Notes are not held for professional purposes in Belgium.

The non-resident Noteholders who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to similar tax rules as Belgian resident companies.

### **Tax on stock exchange transactions**

The sale and acquisition of the Notes will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum of €650 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

### **EU Savings Directive**

Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

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

Belgium also entered into an agreement with the Kingdom of the Netherlands in respect of Curaçao concerning the automatic exchange of information regarding savings income in the form of interest payments. Individual

investors should seek professional advice to verify what obligation a paying agent in Curaçao is under to withhold any tax from the interest payable by the agent on the Notes under the aforementioned agreement.

## **FEDERAL REPUBLIC OF GERMANY**

*The following discussion of certain German tax consequences of buying, holding or disposing of the Notes is based on tax laws, regulations, decisions, judgments and administrative decrees currently in effect, which may be amended or construed differently, potentially with retroactive or retrospective effect. However, this section does not refer to all possible tax considerations which are relevant to the decision of any potential purchaser with respect to buying, holding or disposing of a Note; in particular, it does not refer to specific circumstances which may be relevant to certain purchasers such as church tax (Kirchensteuer) or individual tax privileges. This means that the following text exclusively refers to Notes as an investment as such (unless expressly indicated otherwise) and does not address any persons in their specific tax situation. The information contained in the following section is not intended as and does not purport to be legal or tax advice.*

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

*As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. If necessary, the prospectus regarding the respective Tranche of Notes will contain more specific but also general information on the possible tax treatment of the respective Notes. Potential investors should therefore always review the respective Final Terms also with respect to additional tax information.*

### **German resident Noteholders**

#### *Interest income*

Under German tax law, payment of interest on the Notes to persons who are tax residents of Germany (including persons whose residence, habitual abode, statutory seat or place of management is located in Germany, a **German Holder**) and who held the Note as a private asset is subject to German income tax as capital income in the meaning of § 20 German Income Tax Act. From the year 2009, a final taxation ("*Abgeltungsteuer*") is charged on capital income at an amount of 25 per cent. plus 5.5 per cent. solidarity surcharge ("*Solidaritätszuschlag*") thereon, resulting in a total final taxation of 26.375 per cent.. Taxable base is the received interest without any deduction of expenses actually incurred. The total capital income of the individual will be deducted by a personal annual exemption ("*Sparer-Pauschbetrag*") of EUR 801 (EUR 1,602 for married couples filing their tax return jointly). The personal income tax liability regarding the capital income is, in principle, settled by the tax withheld. If no withholding tax was charged on the payment of the interest, the German Holder will have to include this interest income in its tax return. The final taxation will then be charged by way of assessment. The German Holder may also apply for assessment of the capital income based on the general rules if the personal income tax rate of the German Holder is lower than the final taxation rate. In such assessment, the withholding tax will be credited.

#### *Withholding tax*

If the Notes are held in a custodial account maintained by a German Holder with a German branch of a German or foreign bank or financial services institution (a "German Disbursing Agent"), which pays or credits the interest, a 25per cent. withholding tax ("*Kapitalertragsteuer*") on interest payments, plus a 5.5 per cent. solidarity surcharge ("*Solidaritätszuschlag*") thereon will be levied, resulting in a total withholding tax charge of 26.375 per cent. on the gross amount of interest paid. Accrued Interest paid by a German Holder upon the purchase of the Notes may be set-off against the amount of interest income received by such German Holder and, under certain circumstances, may reduce the amount subject to withholding tax.

If the Noteholder is an individual to whom income from the Notes constitutes income from a capital investment and such Noteholder has filed a certificate of exemption ("*Freistellungsauftrag*") with the German Disbursing Agent, no tax will be withheld by the German Disbursing Agent to the extent that the interest income derived from the Notes together with other investment income administered by the German Disbursing Agent does not exceed the maximum exemption amount shown on this certificate. Similarly, no tax will be withheld if the Noteholder submits to the German Disbursing Agent a certificate of non-assessment ("*Nichtveranlagungsbescheinigung*") issued by the competent local tax office.

#### *Capital gains from disposal or redemption of the Notes*

Capital gains resulting from the disposal or redemption of Notes (or, as the case may be, from the payment at maturity of the Notes) realised by individual German Holders holding the Notes as private assets are taxable as capital gains. They are also subject to the final taxation ("*Abgeltungsteuer*") at an amount of 25 per cent. plus 5.5 per cent. solidarity surcharge ("*Solidaritätszuschlag*") thereon, resulting in a total final taxation of 26.375 per cent..

Base for this taxation is the capital gain, which is in general the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. The taxable capital gains from Notes issued in a currency other than Euro also include any currency gains (and losses). In case of a physical settlement of certain Notes which grant the Issuer or the individual Noteholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment in cash, generally no taxable capital gain may result, because the acquisition costs of the Notes are regarded as acquisition costs of the underlying securities received by the individual Noteholder upon physical settlement. Therefore, only losses can arise from the deduction of directly related expenses.

Capital losses in respect of the Notes held as a private asset may only be set-off against capital income within the same financial year and in subsequent years. However, if losses result from Notes held in a custodial account maintained by a German Disbursing Agent, initially the German Disbursing Agent will take these losses into account when calculating the withholding tax. In case the losses can not be compensated in the current year the losses will be set off against the income of the subsequent year. Upon request of the German Holder the German Disbursing Agent will provide a certificate of all losses, which could not be set off during the current year within the custodial account. This certificate enables the German Holder to claim a deduction within the assessment of capital income.

#### *Withholding tax*

Like the treatment of interest income a withholding tax at an amount of 25 per cent., plus a 5.5 per cent. solidarity surcharge ("*Solidaritätszuschlag*") thereon (in total 26.375 per cent.) will be levied on capital gains from disposal or redemption of the Notes, if the Note is held in a custodial account maintained by a German Disbursing Agent. A withholding tax will not be charged if the German Holder has provided a certificate of exemption ("*Freistellungsauftrag*") or a certificate of non-assessment ("*Nichtveranlagungsbescheinigung*") to the German Disbursing Agent.

Base for this taxation is again the difference between the proceeds from the disposal or redemption after deduction of expenses directly related to the disposal and the cost of acquisition. However, in case the Notes have not been kept in a custodial account with the same German Disbursing Agent since the time of acquisition, upon the disposal, redemption or repayment the withholding applies to 30 per cent. of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the EEA or certain other countries in accordance with art. 17 para. 2 of the European Council Directive 2003/48/EC. Furthermore, the special provision for a physical settlement of certain Notes applies for purposes of the withholding. Therefore, in principle, redemption accompanied by physical settlement may not result in a withholding tax.

### **Non-German resident Noteholders**

Income derived from the Notes by persons who are not tax residents of Germany (**Non-German Holders**) is in general exempt from German income or corporate income taxation, and no withholding tax shall be withheld (even if the Notes are held with a German Disbursing Agent), provided (i) the Notes are not held as business assets of a German permanent establishment of the Non-German Holder, including a permanent representative, or fixed base of the Noteholder, (ii) the income derived from the Notes does not otherwise constitute German source income (such as income from the letting and leasing of certain German situs property), (iii) the Notes or coupons are not presented for payment at the offices of a German branch of a German or foreign bank or financial services institution, that do not hold in custody or manage the Notes, in an over-the-counter-transaction ("*Tafelgeschäft*") by a person who is not a foreign bank or financial service institution and, (iv) in the event that the Notes are held in a custodial account maintained by a German Disbursing Agent, the Noteholder complies with the applicable procedural rules under German law and provides evidence of the fact that the Notes are not subject to taxation in Germany. Unjustified retained withholding tax shall be refunded upon request to the Local Tax Office ("*Finanzamt*") to whom the withholding tax was paid.

If the interest is subject to German taxation (for example, if the Notes are held as business assets of a German permanent establishment of a Non-German Holder), such holder is subject to a tax treatment similar to that described above under the caption "German Taxation of Residents". The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**+If the Notes are offered by the Issuer other than in the Federal Republic of Germany, information relating to withholding tax may be disclosed in the Final Terms or, in the event of an offer which is made after completion of the Final Terms, in a supplement to this Base Prospectus.**

### **Inheritance tax / gift tax**

No estate, inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of estate and inheritance taxes, both the decedent and the beneficiary, and, in the case of gift taxes, both the donor and the donee, are tax non-residents and are not deemed to be a tax resident of Germany at the time of the transfer and such Notes are not attributable to a permanent establishment in Germany. In the case of a decedent, donor or heir who is a German national, this only applies if such person has been a non-resident of Germany for more than five consecutive years.

### **Special tax regime under German Investment Tax Act**

It cannot be excluded that the Notes may be treated as units in a foreign investment fund for German tax purposes, particularly with respect to (but not limited to) Index or Credit or Managed Assets Portfolio Linked Notes if (i) the Notes feature an investor redemption right or (ii) the supervision of the Issuer by the CSSF was considered to be of similar nature than the supervision of German regulated investment funds by the German regulatory body. Notwithstanding the aforesaid an exemption from the application of the German Investment Tax Act stipulated by the German tax authorities in administrative guidance could apply if the Issuer was not obliged vis-à-vis the Noteholders to invest in the underlying of the Notes but the Notes simply constituted a promise of the Issuer to repay the Notes depending to the performance of the underlying (so-called exemption for certificates, *Zertifikateausnahme*). If the German Investment Tax Act applied the investment in the Notes would be subject to a special, potentially disadvantageous, tax regime under the German Investment Tax Act (*Investmentsteuergesetz*) and the statements made above regarding German taxation would not apply.

In such case, the withholding tax requirements for the Domestic Paying Agent as well as the taxation of the holder would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The holder of the Notes may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on income deemed received on a lump-sum basis (so-called penalty taxation). Such income may be offset against any capital gains realised upon disposal of the Notes or the underlying securities received, respectively, subject to certain requirements.

## Other taxes

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## European directive on the taxation of savings income

On 3 June 2003 the Council of the European Union (**ECOFIN**) approved a directive regarding the taxation of interest income. Accordingly, each EU Member State must provide to the tax authorities of the other Member States details of the payment of interest made by a person in its jurisdiction to any individual resident in the other relevant EU Member State. The directive has to be applied by the Member States since 1 July 2005. The directive came into effect in German law on 1 July 2005.

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive at a rate of 20 per cent. till 30 June 2011 and 35 per cent. from 1 July 2011 onwards. As of 1 January 2010, Belgium applies the automatic exchange of information under the Savings Directive instead of withholding taxes.

## ITALY

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Programme and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

## Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

### **Italian resident Noteholders**

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see under "*Capital gains tax*", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, then interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. If the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status of the Noteholder, also to IRAP – the regional tax on productive activities).



Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economic Affairs and Finance through Circular No. 47/E of 8 August 2003, payments of interest premium or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, subjects to supervisory measures, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period.’.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Where an Italian resident Noteholder is a company or similar commercial entity and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate taxation.

### **Non-Italian resident Noteholders**

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

### **Notes that qualify as “Atypical securities”**

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 20 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

The 20 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution.

**Capital gains tax**

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

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

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries, and (b) an express election for the *risparmio amministrato regime* being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato regime*, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato regime*, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito regime*, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV, subjects to supervisory measures, will be included in the result of the relevant portfolio accrued at the end of the tax period..

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

Capital gains realised by Italian resident real estate funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Italian Law No. 86 of 25 January 1994, on the Notes are not taxable at the level of the real estate funds.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to *imposta sostitutiva*, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

#### **Payments made by a non resident Guarantor**

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

#### **Inheritance and gift taxes**

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

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

#### **Transfer tax**

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €168; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

#### **EU Savings Directive**

Under EC Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures.

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

### *Implementation in Italy of the Savings Directive*

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

### **SPAIN**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Notes or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Notes and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Spanish tax law, to which they may be subject.*

#### **Spanish resident individuals**

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Notes may receive under the Notes will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax at two tax rates. Financial income up to €6,000 will be taxed at a rate of 21 per cent. and the excess over 24.000 Euros such threshold will be subject up to a final tax rate of 27 per cent when adding the autonomic tax rate. Spanish holders of the Notes shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses relating to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes cannot be offset if the investor acquires homogeneous securities within the two-month period prior or subsequent to the transfer of the Notes, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

Wealth Tax ("*Impuesto sobre el Patrimonio*")

Individuals who are Spanish tax residents are subject to an annual Wealth Tax on 31 December on their total net wealth, regardless of the location of their assets (such as the Notes) or of where their rights may be exercised. However, according to Law 4/2008 of 23 December, taxpayers benefit from a 100 per cent. tax credit on their Wealth Tax liability as from 2008. Nevertheless only for 2011 and 2012 exercises the Wealth Tax has been restated. However certain autonomies, namely, Basque Country Navarra and Madrid have maintained the tax credit so that in practical terms this means that taxpayers from those territories are effectively tax exempt from Wealth Tax.

#### *Inheritance and Gift Tax (“Impuesto sobre Sucesiones y Donaciones”)*

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

#### **Spanish resident corporations**

##### *Corporate Income Tax (“Impuesto sobre Sociedades”) (CIT)*

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is currently 30 per cent. However, small sized companies (those companies whose net business income is lower than €10,000,000) can benefit from the reduced tax rate of 25 per cent. on the first €300,000 of their taxable profits. In addition to this and for the tax period starting in 2011, companies with a net business income lower than €5,000,000 and an average staff of fewer than 25 employees could benefit from the reduced rate of 20 per cent. on the first €300,000 of their taxable profits, being the rest of the taxable profits subject to a tax rate of 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

#### *Wealth Tax*

Corporations are not subject to Wealth Tax.

#### *Inheritance and Gift Tax*

Spanish corporations are not subject to Inheritance and Gift Tax. Conversely, Spanish corporates receiving Notes by inheritance, gift or legacy will be taxed under CIT on the market value of the Notes.

#### **Other taxes**

The acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e. exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax approved by Royal Legislative Decree 1/1993 of September 2004, and exempt from Value Added Tax, in accordance with Law 37/1992 of December 28 regulating such tax.

#### **SWEDEN**

The following summary of certain tax issues that may arise as a result of holding of Notes is based on current Swedish tax legislation and is intended only as general information. This description does not deal

comprehensively with all tax consequences that may occur for Noteholders, nor does it address rules regarding reporting obligations for, amongst others, payers of interest. Prospective applicants for Notes should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of acquiring, holding and disposing of Notes, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

#### **Noteholders resident in Sweden**

Individuals and legal entities fiscally resident in Sweden, or that have a permanent establishment in Sweden to which the Notes are effectively connected, are normally taxed on all capital income from the Notes (including interest payments and income from the sale, redemption or repayment of the Notes)

The legal entity effecting an interest payment to an individual will be required to withhold Swedish tax, provided that the entity is subject to reporting obligations in Sweden. The tax so withheld is normally equal to the final tax on the interest income, which means that there is generally no further tax payable on the interest.”

#### **Noteholders not resident in Sweden**

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to Noteholders who are not fiscally resident in Sweden, and do not have a permanent establishment in Sweden to which the Notes are effectively connected, are not subject to Swedish income tax.

However, as far as individuals are concerned, capital gains on the sale of Notes that are deemed equity-related may be subject to Swedish tax if the individual has been resident or permanently stayed in Sweden at any time during the calendar year of the sale or the ten preceding calendar years. This provision is, however, in many cases, limited by tax treaties for the avoidance of double taxation which Sweden has concluded with other countries. In respect of Notes issued by non-Swedish entities, such as the Issuer, an additional requirement for capital gains taxation in the Sweden is that the Notes were acquired when the private individual was resident in Sweden for tax purposes.

#### **Payments under the Guarantee**

There are no specific Swedish tax rules for payments made by the Guarantor under the Guarantee, please therefore see the relevant section above.

#### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland). The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

#### **UNITED KINGDOM**

*The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to certain aspects of United Kingdom taxation. The United Kingdom tax treatment of prospective Noteholders and investors depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

### **Payment of interest on the Notes**

On the basis that interest on the Notes is not expected to have a United Kingdom source, no withholding should be required on account of United Kingdom income tax from payments of interest on the Notes.

Noteholders may wish to note that, in certain circumstances, HM Revenue and Customs (**HMRC**) has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

### **Stamp Duty and SDRT**

#### *CDIs*

An unconditional agreement to transfer CDIs will normally give rise to a charge to United Kingdom stamp duty reserve tax at the rate of 0.5 per cent. of the amount or value of the consideration for the CDIs unless:

the Notes in which the CDIs represent an interest are in bearer form and such Notes:

- (i) constitute loan capital of the Issuer; or
- (ii) are not denominated in sterling; or
- (iii) are "listed on a recognised stock exchange"; or

the Notes in which the CDIs represent an interest are in registered form and such Notes are:

- (i) registered in a register kept outside of the United Kingdom by or on behalf of the relevant Issuer; and
- (ii) "listed on a recognised stock exchange"; or

the Notes in which the CDIs represent an interest (whether in bearer or registered form) constitute "exempt loan capital".

#### *Bearer Notes*

A charge to United Kingdom stamp duty at 1.5 per cent. of the value of Notes will arise on the issue in the United Kingdom of Bearer Notes which are denominated in sterling and which are not loan capital. No United Kingdom stamp duty liability arises on the issue of such a Bearer Note outside the United Kingdom. However, a United Kingdom stamp duty liability at 1.5 per cent. will arise on the first transfer by delivery in the United Kingdom of such a Bearer Note which was originally issued outside the United Kingdom. Otherwise, no United Kingdom stamp duty will be payable in relation to the issue of Bearer Notes.

#### *Physical Delivery Notes*

Stamp duty and stamp duty reserve tax may also be payable on a physical settlement of the Notes that involves the delivery of an asset other than cash.

For these purposes, Notes will be **exempt loan capital** provided that: (a) they constitute "loan capital" of the relevant Issuer; (b) they are not convertible or exchangeable into (or for) other shares or securities and do not otherwise carry a right to the acquisition of other shares or securities; (c) they do not carry a right to interest which exceeds a reasonable commercial return on the nominal amount of the Notes or which is determined to any extent by reference to the results of or part of any business or to the value of any property; and (d) they are either listed on the London Stock Exchange or, if not so listed, they do not carry a right to a premium on redemption which is not reasonably comparable with the redemption premium payable on "loan capital" that is listed on the London Stock Exchange.

For these purposes, Notes will be **listed on a recognised stock exchange** if they are: (a) included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange; or (b) officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange; or (c) officially listed in Switzerland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the SIX Swiss Exchange.

### ***EU Savings Directive***

Under European Council Directive 2003/48/EC on the taxation of savings income, Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures.

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

### **UNITED STATES**

**To ensure compliance with requirements imposed by the U.S. Internal Revenue Service (the IRS), each taxpayer is hereby notified that any tax discussion herein was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding U.S. federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the proposals described herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.**

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Notes by holders and is not purported to be a complete analysis of all potential tax effects. This summary is based upon the Internal Revenue Code of 1986 (the "**Code**"); existing and proposed U.S. Treasury regulations promulgated thereunder, and published rulings and court decisions, all as in effect and existing on the date of this Base Prospectus and all of which are subject to change at any time with retrospective or prospective effect. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the applicable Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Notes as are issued thereunder. This summary deals only with Purchasers of Notes that will hold the Notes as capital assets.

This summary is for general information only and does not address all of the tax consequences that may be relevant to holders. In addition, this summary does not address any of the tax consequences to holders that may be subject to special rules, such as financial institutions, tax-exempt organisations, insurance companies, regulated investment companies, real estate investment trusts, personal holding companies, controlled foreign



corporations, passive foreign investment companies, broker-dealers in securities or currencies, and non-resident alien individuals who have lost their U.S. citizenship or who have ceased to be treated as resident aliens. Further, this summary does not address:

- (a) the U.S. federal income tax consequences to shareholders in, or partners or beneficiaries of, an entity that is a holder of the Notes;
- (b) the U.S. federal estate, gift or alternative minimum tax consequences of the acquisition, ownership or disposition of the Notes;
- (c) persons that will hold the Notes as part of a position in a “straddle” or as part of a “constructive sale” or a “hedging,” “conversion” or other integrated transaction;
- (d) any tax consequences arising under any state, municipality, foreign country or other taxing jurisdiction.

The term **U.S. Holder** means a beneficial owner of a Note that, for U.S. federal income tax purposes, is:

- (a) an individual who is a citizen or resident of the United States;
- (b) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- (c) an estate the income of which is subject to United States federal income tax without regard to its source; or
- (d) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

The term **Non-U.S. Holder** means a beneficial owner of a Note that is not a U.S. Holder.

If a partnership holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners of partnerships holding the Notes should consult their tax advisers regarding the U.S. federal income tax consequences of acquiring, owning and disposing of the Notes.

**Prospective investors should consult their tax advisers regarding the United States federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the Notes in light of such investor’s own circumstances, including such investor’s status as a U.S. Holder or Non-U.S. Holder (as defined above), as well as any other estate, gift, or other tax consequences that may arise under the laws of any state, local, non-U.S. or other taxing jurisdiction.**

Holders may be subject to a variety of U.S. tax consequences depending on the subject and the terms of the Notes. Holders should consult their advisers about the tax consequences of purchasing Notes, particularly whether the Notes being acquired could be treated for U.S. tax purposes as equity instruments or as another type of financial instrument.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

#### **U.S. Federal Income Tax Characterisation of the Notes**

The characterization of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterization of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to such Notes.

Depending on the terms of a particular Series or Tranche of Notes, such Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts, or some other type of financial instrument. Alternatively, such Notes may be characterised as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Issuer. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Final Terms or any Prospectus or series prospectus.

No rulings will be sought from the IRS regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Notes.

## **U.S. Holders**

### ***U.S. Federal Income Tax Treatment of Notes Treated as Debt***

The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

#### ***Payment of Interest***

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (**foreign currency**), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “*Original Issue Discount — General*”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount (as defined below), if any, accrued with respect to the Notes (as described below under “*Original Issue Discount*”) generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder. Prospective Purchasers should consult their tax advisers concerning the foreign tax credit implications of any payment of foreign taxes, the applicability of the foreign tax credit and the source of income rules.

#### ***Original Issue Discount***

##### *General*

*The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (OID). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments the applicable Final Terms may describe the material U.S. federal income tax consequences thereof.*

A Note, other than a Note with a term of one year or less, will be treated as issued with OID (a **Discount Note**) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a de minimis amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an **instalment obligation**) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of

all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during same periods), or a variable rate (as described below under “*Variable Interest Rate Notes*”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has de minimis OID, a U.S. Holder must include the de minimis amount in income as stated principal payments are made on the Note, unless such holder makes the election described below under “*Election to Treat All Interest as Original Issue Discount*”. A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s de minimis OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of Discount Notes is the sum of the daily portions of OID with respect to the Discount Notes for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Notes. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period (and *pro rata* to every day in the accrual period) equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

#### *Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election to treat all interest as OID, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Discount Note immediately after its purchase over the Discount Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Discount Note’s adjusted issue price.

#### *Fungible Issue*

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes. In addition, an issue of such additional notes after 31 December 2012 in respect of original Notes issued on or before 31 December 2012 may result in such original Notes being subject to withholding. See “*U.S. Foreign Account Tax Compliance withholding*” below.

### *Market Discount*

A Note, other than a Note with a term of one year or less, generally will be treated as purchased at a market discount (a **Market Discount Note**) if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be treated as a Market Discount Note, then the excess constitutes "de minimis market discount" and such Note is not subject to the rules discussed in the following paragraphs. For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

### *Variable Interest Rate Notes*

Notes that provide for interest at variable rates (**Variable Interest Rate Notes**) generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A **qualified floating rate** is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. A variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An **objective rate** is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A **qualified inverse floating rate** is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A current value of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an equivalent fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an equivalent fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating

rate, the Variable Interest Rate Note is converted into an equivalent fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an equivalent fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the equivalent fixed rate debt instrument by applying the general OID rules to the equivalent fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the equivalent fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the equivalent fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt instrument. Prospective Purchasers should consult with their own tax advisers concerning the proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations.

#### *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Note with a term of one year or less is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Notes with a term of one year or less on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Note with a term of one year or less will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Notes with a term of one year or less will be required to defer deductions for interest on borrowings allocable to Notes with a term of one year or less in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Note with a term of one year or less are included in such note’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Note with a term of one year or less as if such note had been originally issued to the U.S. Holder as the U.S. Holder’s purchase price for the note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### ***Election to Treat All Interest as Original Issue Discount***

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “*Original Issue Discount — General*,” with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium (described below under “Notes Purchased at a Premium”) or acquisition premium. If a U.S. Holder makes this election for the Note, then, when the constant-yield method is applied, the issue price of the Note will equal its cost, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Note has amortizable bond premium, the U.S. Holder will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Market

Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

#### **Notes Purchased at a Premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable Note premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

#### **Purchase, Sale or Other Disposition of Notes**

A U.S. Holder’s tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. Except to the extent described above under “*Original Issue Discount—Market Discount*” or “*Original Issue Discount—Short Term Notes*” or attributable to accrued but unpaid interest or changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year. Gain or loss will generally be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation and may be taxable at reduced rates in the case of a non-corporate U.S. Holder if the Notes are held for more than one year. The deductibility of capital losses is subject to limitations.

#### **Foreign Currency Notes**

##### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five Business Days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### *Original Issue Discount*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “*Foreign Currency Notes—Interest*”. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### *Market Discount*

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### *Bond Premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such Note premium that is taken into account currently will reduce interest income in units of the foreign currency.

On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder.

#### *Purchase, Sale or Other Disposition of Notes*

As discussed above under “*Purchase, Sale or Other Disposition of Notes*”, a U.S. Holder will generally recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its tax basis in the Note. A U.S. Holder’s tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.



A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

#### *Disposition of Foreign Currency*

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will generally have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

#### ***U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt***

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes, and in particular certain index-linked redemption Notes and equity-linked Notes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes and does not discuss Notes that would be treated as equity for U.S. federal income tax purposes. The applicable Final Terms or any Prospectus or series prospectus will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the applicable Final Terms or any Prospectus or series prospectus.

#### ***Forward Notes***

##### *General*

A Note that provides for a payment in redemption at maturity that is based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and does not provide for a current coupon, may be identified as a "Forward Note" by the Issuer in the applicable Final Terms or any Prospectus or series prospectus. A U.S. Holder of a Forward Note would generally be subject to the U.S. federal income tax consequences discussed below.

Legislation was proposed in the U.S. House of Representatives that would require a holder of an instrument such as a Forward Note to accrue interest income on a current basis in certain circumstances. In addition, the IRS and the U.S. Department of Treasury have announced that they are considering whether the holder of an instrument such as a Forward Note should be required to accrue ordinary income on a current basis. It is not possible to predict the final form of any legislative or regulatory changes that might affect holders of instruments such as the Forward Notes, but it is possible that any such changes could be applied retroactively. The IRS and U.S. Department of Treasury are also considering other relevant issues, including whether gain or loss from these instruments should be treated as ordinary or capital, whether foreign holders of these instruments should be subject to withholding tax on any deemed income accruals, and whether the special constructive ownership rules of Section 1260 of the Code might be applied to these instruments. Holders are urged to consult their tax advisers concerning the potential impact of these proposals. The Issuers intend to treat the Forward Notes as described below, unless and until the Issuers determine, based on future developments, that a different treatment is appropriate.

##### *Characterisation*

A Forward Note should constitute a prepaid forward contract for U.S. federal income tax purposes. Under current law, U.S. Holders should not be required to recognise income or loss upon the acquisition of a Note, and U.S. Holders should not be required to accrue income with respect to a Note over the life of the Note.

### *Purchase, Sale and Retirement*

A U.S. Holder will recognise gain or loss on the sale or retirement for cash of a Forward Note equal to the difference between the amount of cash received upon sale or retirement and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Forward Note will generally be the Note's U.S. Dollar cost. The U.S. Dollar cost of a Forward Note purchased with a foreign currency will generally be the U.S. Dollar value of the purchase price on the date of purchase increased by the nominal exercise price, if any, paid by the U.S. Holder. Except as provided under "Constructive Ownership Transactions" below, any gain or loss recognised on the sale or retirement of a Forward Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Note exceeds one year.

Upon a retirement of a Forward Note by physical delivery of the Reference Items, a U.S. Holder will not be required to recognise gain or loss at that time. A U.S. Holder will have a basis in the Reference Items equal to the U.S. Holder's basis in the Forward Note. A U.S. Holder's holding period in the Reference Items will not include the U.S. Holder's holding period in the Forward Notes.

### *Constructive Ownership Transactions*

To the extent that a Forward Note is treated as a "constructive ownership transaction," any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Note was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Forward Note was held so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Note is sold or redeemed.

A Note could be treated in whole or in part as a constructive ownership transaction if the issuer of a Reference Item and, if the Reference Item is an index, possibly the issuer of any security included in that index is treated for U.S. federal income tax purposes as, among others, a passive foreign investment company, a partnership, a trust, or a common trust fund.

The Issuer does not intend to determine whether the issuers of any Reference Item in fact fall in any of these categories. Prospective Purchasers should consult their tax advisers regarding the status of the Reference Items and the application of the constructive ownership transaction rules to ownership of the Note.

### ***Backup Withholding and Information Reporting***

In general, payments of interest and accrued OID on, and the proceeds of a sale or other disposition of the Notes, payable to a U.S. Holder or by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding may apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number, certification of exempt status or otherwise to comply with the applicable backup withholding requirements. Certain U.S. Holders are not subject to information reporting or backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and/or backup withholding and the procedure for obtaining an exemption.

### ***Disclosure Requirements***

U.S. Treasury Regulations meant to require the reporting of certain tax shelter transactions (**Reportable Transactions**) could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury Regulations, certain transactions with respect to the Notes may be characterized as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Foreign Currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

## Non-U.S. Holders

### Notes

Except as otherwise discussed below or indicated in the applicable Final Terms, a Non-U.S. Holder will generally not be subject to U.S. federal income tax, including withholding tax, on payments of principal, or interest (including original issue discount, if any) on a Note, or on proceeds from the sale or other disposition of a Note, *provided that* for purposes of U.S. federal income tax law:

- (i) the payments or proceeds are not effectively connected with the conduct of a trade or business within the United States by the holder;
- (ii) the holder does not own (directly or by attribution) ten percent or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
- (iii) the holder is not a bank holding the Note in the context of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (iv) the holder does not have a “tax home” (as defined in section 911(d)(3) of the Code) or an office or other fixed place of business in the United States; and
- (v) in case of Registered Notes, the beneficial owner of such Notes provides an IRS Form W-8BEN or otherwise satisfies applicable documentary requirements for establishing that it is a non-U.S. holder, unless such payments or proceeds are effectively connected with the conduct by the holder of a trade or business in the United States.

### **Notes Linked to Commodity Prices, Single Securities, Baskets of Securities or Indices and Credit-Linked Notes**

The U.S. federal income tax consequences to a Non-U.S. Holder of the ownership and disposition of Notes that have principal or interest determined by reference to commodity prices, securities of entities not affiliated with the Issuer, baskets of securities or indices or to the credit of entities not affiliated with the Issuer may vary depending upon the exact terms of the Notes and related factors. Notes containing any of those features may be subject to rules that differ from the general rules discussed above. Non-U.S. Holders intending to purchase such Notes should refer to the discussion relating to taxation in the applicable Final Terms for disclosure concerning the applicability of the rules.

### **Backup Withholding and Information Reporting**

A Non-U.S. Holder of a Note will generally not be subject to backup withholding or information reporting with respect to payments on, or proceeds from the sale or other disposition of, the Note. Persons holding Notes who are non-U.S. holders may be required to comply with applicable certification procedures to establish that they are non-U.S. holders in order to avoid the application of any such information reporting requirements and backup withholding tax.

Non-U.S. Holders of Notes should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom and the procedure for obtaining the exemption, if available. Backup withholding is not an additional tax. Any amounts withheld from a payment to a Non-U.S. Holder under the backup withholding rules will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing all required information.

### **U.S. Foreign Account Tax Compliance Withholding**

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-US 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 certain information on its account holders. The new withholding regime will be phased in beginning in 2014.

No assurance can be provided that the Issuer will enter into such an agreement with the IRS. If the Issuer does not enter into such an agreement, the Issuer may be subject to a 30 per cent. withholding tax on all, or a portion of all, payments received from U.S. sources and from Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes.

In the alternative, if the Issuer becomes Participating FFI, holders may be required to provide certain information or otherwise comply with FATCA to avoid withholding on amounts paid on the Notes to such holders. The Issuer or other Participating FFIs or U.S. intermediaries through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes treated 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 31 December 2012 (or are materially modified after that date) and (ii) any Notes characterized as equity (or which do not have a fixed term) for U.S. federal tax purposes, whenever issued. In addition, pursuant to the Conditions of the Notes, the Issuer may issue Further Notes (as defined in Condition 17 (*Further Notes, Related Notes and Consolidation*)) in respect of any Series of Notes already issued (**Existing Notes**) such that the Further Notes shall be consolidated and form a single Series with the Existing Notes. An issue of Further Notes after 31 December 2012 that will be consolidated and form a single Series with, and have the same operational identification numbers as, Existing Notes issued on or before 31 December 2012 may result in such Existing Notes also being subject to withholding.

Such withholding would apply if the Issuer has a positive "passthru payment percentage" (as determined under FATCA) and (a) an investor 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 such Participating FFI, or (b) any FFI that is an investor, or through which payment on the Notes is made, is not a Participating FFI. If an amount in respect of FATCA withholding tax is deducted or withheld from interest, principal or other payments on the Notes, the terms of the Notes will not require any person to pay additional amounts as a result of the deduction or withholding of such tax.

As a result of either withholding against the Issuer or withholding on the Notes, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance that is subject to change. Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

#### *Legislation Affecting Dividend Equivalent Payments*

The United States Hiring Incentives to Restore Employment Act (the **HIRE Act**) treats a "dividend equivalent" payment as a dividend from sources within the United States. Under the HIRE Act, unless reduced by an applicable tax treaty with the United States, such payments generally would be subject to U.S. withholding tax. 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 the preceding clauses (i) and (ii). Beginning 1 January 2013, a dividend equivalent payment includes a payment made pursuant to any notional principal contract that falls into one of the seven categories specified by the IRS unless otherwise exempted by the IRS. Where the securities reference an interest in a fixed basket of securities or an index, such fixed basket or index will be treated as a single security. Where the securities reference an interest in a basket of securities or an index that may provide for the payment of dividends from sources within the United States, absent final guidance from the IRS, it is uncertain whether the IRS would determine that payments under the securities are substantially similar to a dividend. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S.

withholding tax, unless reduced by an applicable tax treaty. If withholding is so required, the Issuer will not be required to pay any additional amounts with respect to amounts so withheld

## SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

The Dealer (whose name and address are specified at the end of this Base Prospectus) has, in an amended and restated programme agreement (the **Programme Agreement**, which expression includes the same as it may be updated or supplemented from time to time) dated 20 June 2012 agreed with the Issuer and the Guarantor a basis upon which they (or any one of them) may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and in the Terms and Conditions of the Notes above. In the Programme Agreement, the Issuer and the Guarantor have jointly and severally agreed to reimburse the Dealer for certain of its expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealer against certain liabilities incurred by it in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, in accordance with applicable laws and rules the Stabilising Manager(s) may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time.

*The following selling restrictions may be modified by the Issuer and the relevant Dealer(s) following a change in the relevant law, regulation or directive and in certain other circumstances as may be agreed between the Issuer and the relevant Dealer(s). Any such modification will be set out in the Final Terms and (if applicable) the syndication agreement in respect of the Tranche to which it is related or in a Supplement to this Base Prospectus.*

### **Certain ERISA Considerations**

The Notes are not eligible for purchase by (i) employee benefit plans and other plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), and/or the provisions of Section 4975 of the Code (ii) an entity the underlying assets of which include plan assets by reason of investment in the entity by such employee benefit plans or plans, or (iii) governmental, church and non-U.S. plans that are subject to state, local and other federal law of the U.S. or non-U.S. law that is substantially similar to ERISA or the Code.

### **Transfer Restrictions Applicable to Registered Notes (other than Non-U.S. Registered Notes)**

*As a result of the following restrictions, Purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.*

Each Purchaser of Registered Notes (other than Non-U.S. Registered Notes) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be deemed or required, as the case may be, to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is (1) a QIB and a QP purchasing (or holding) such Notes for its own account or for the account of one or more QIBs that are also QPs, in each case for investment and not with a view to, or for or in connection with, any distribution thereof, (2) not a broker-dealer which owns and invests on a discretionary basis less than \$25 million in securities of unaffiliated issuers, (3) not a participant-directed employee plan, such as a 401(k) plan, (4) not formed for the purpose of investing in the Issuer and (5) aware, and each beneficial owner of such Notes has been advised, that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. Person;
- (ii) that the Notes and any Guarantee are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes and any Guarantee have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except as set forth below;

- (iii) that neither the Issuer nor any Compartment has registered, nor will it register, as an “investment company” under the Investment Company Act in reliance on Section 3(c)(7) thereof, and that such Notes may not be sold within the United States or to, or for the account or benefit of, U.S. Persons except as set forth below;
- (iv) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States that is not a U.S. Person, if in the future it decides to resell, pledge or otherwise transfer such Notes or any beneficial interests in such Notes, it will do so only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person or outside the United States to a U.S. Person that is a QP whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB that is also a QP in a transaction meeting the requirements of Rule 144A, (c) outside the United States to a non-U.S. Person in compliance with Rule 903 or Rule 904 under the Securities Act or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (v) it will, and will require each subsequent holder to, notify any Purchaser of the Notes from it of the resale restrictions referred to in paragraph (iv) above;
- (vi) that the Notes may not be acquired by, on behalf of, or with the assets of, (1) an “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to the provisions of Title I of ERISA or a “plan” within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code, (2) an entity the underlying assets of which include plan assets by reason of investment in the entity by such an employee benefit plan or plan or (3) a governmental, church or foreign plan subject to any federal, state, local or foreign law, rule or regulation which is to a material extent similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.
- (vii) that Registered Notes initially offered in the United States to persons and outside the United States to U.S. Persons who are both QIBs and QPs will be represented by one or more Rule 144A Global Notes or Combined Global Notes, and that Registered Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes or Combined Global Notes;
- (viii) that the Rule 144A Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY AND ANY GUARANTEE HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR ANY COMPARTMENT HAS REGISTERED, NOR WILL IT REGISTER, AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THIS SECURITY AND ANY INTEREST THEREIN MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT (1) IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER, (2) IS PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS THAT ARE ALSO QUALIFIED PURCHASERS, IN A PRINCIPAL AMOUNT OF NOT LESS THAN THE MINIMUM DENOMINATION FOR THE SECURITIES FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT, (3) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN \$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (4) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN AND (4) WAS NOT FORMED FOR THE PURPOSES OF INVESTING IN THE ISSUER; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON OR OUTSIDE THE UNITED STATES TO A U.S. PERSON THAT IS A QUALIFIED PURCHASER WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE

SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES TO A PERSON THAT IS NOT A U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

EACH PURCHASER OF THIS SECURITY OR ANY INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES.

THE SECURITIES MAY NOT BE ACQUIRED BY, ON BEHALF OF, OR WITH THE ASSETS OF, (1) AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA OR A "PLAN" WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE (THE **CODE**) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (2) AN ENTITY THE UNDERLYING ASSETS OF WHICH INCLUDE PLAN ASSETS BY REASON OF INVESTMENT IN THE ENTITY BY SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN OR (3) A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW, RULE OR REGULATION WHICH IS TO A MATERIAL EXTENT SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY OR FOR SECURITIES OF THE ISSUER RELYING ON SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT. THE ISSUER RESERVES THE RIGHT TO REDEEM OR TRANSFER ON BEHALF OF THE HOLDER ANY SECURITY THAT IS SOLD OR TRANSFERRED IN VIOLATION OF THE RESTRICTIONS SET OUT ABOVE. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY INTEREST HEREIN AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(ix) that the Combined Global Notes will bear a legend to the following effect:

"THIS SECURITY AND ANY GUARANTEE HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR ANY COMPARTMENT HAS REGISTERED, NOR WILL IT REGISTER, AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THIS SECURITY AND ANY INTEREST HEREIN MAY NOT BE OFFERED OR SOLD EXCEPT AS SET OUT BELOW.

THIS SECURITY AND ANY INTEREST HEREIN MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (I) IT (1) IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND A "QUALIFIED PURCHASER" AS DEFINED IN



SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER, (2) IS PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS THAT ARE ALSO QUALIFIED PURCHASERS, IN A PRINCIPAL AMOUNT OF NOT LESS THAN THE MINIMUM DENOMINATION FOR THE SECURITIES FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT, (3) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN \$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (4) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN AND (4) WAS NOT FORMED FOR THE PURPOSES OF INVESTING IN THE ISSUER, OR (II) IT IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON OR OUTSIDE THE UNITED STATES TO A U.S. PERSON THAT IS A QUALIFIED PURCHASER WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES TO A PERSON THAT IS NOT A U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

EACH PURCHASER OF THIS SECURITY OR ANY INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES.

THE SECURITIES MAY NOT BE ACQUIRED BY, ON BEHALF OF, OR WITH THE ASSETS OF, (1) AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA OR A "PLAN" WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE (THE **CODE**) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (2) AN ENTITY THE UNDERLYING ASSETS OF WHICH INCLUDE PLAN ASSETS BY REASON OF INVESTMENT IN THE ENTITY BY SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN OR (3) A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW, RULE OR REGULATION WHICH IS TO A MATERIAL EXTENT SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY OR FOR SECURITIES OF THE ISSUER RELYING ON SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT. THE ISSUER RESERVES THE RIGHT TO REDEEM OR TRANSFER ON BEHALF OF THE HOLDER ANY SECURITY THAT IS SOLD OR TRANSFERRED IN VIOLATION OF THE RESTRICTIONS SET OUT ABOVE. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY INTEREST

HEREIN AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (x) if it is outside the United States and is not a U.S. Person, and is purchasing an interest in a Regulation S Global Note, that if it should resell or otherwise transfer such Notes it will do so only (a)(i) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act to a person that is not a U.S. Person or (ii) to a QIB that is also a QP in compliance with Rule 144A and that will hold its interest in the form of an interest in a Rule 144A Global Note or a Combined Global Note and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY AND ANY GUARANTEE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR ANY COMPARTMENT HAS REGISTERED, NOR WILL IT REGISTER, AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THIS SECURITY AND ANY INTEREST HEREIN MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS DURING THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN THE AGENCY AGREEMENT) EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT TO A PERSON THAT IS A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER, WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.”

THE SECURITIES MAY NOT BE ACQUIRED BY, ON BEHALF OF, OR WITH THE ASSETS OF, (1) AN “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA OR A “PLAN” WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE (THE CODE) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (2) AN ENTITY THE UNDERLYING ASSETS OF WHICH INCLUDE PLAN ASSETS BY REASON OF INVESTMENT IN THE ENTITY BY SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN OR (3) A GOVERNMENTAL, CHURCH OR FOREIGN PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW, RULE OR REGULATION WHICH IS TO A MATERIAL EXTENT SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.”;

- (xi) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (xii) that the Issuer reserves the right to redeem, or transfer on behalf of the holder of any Note that is held by, or for the account or benefit of, any U.S. Person that was not both a QIB and a QP at the time it purchased or acquired such note. No payments will be made on the affected Notes from the date notice of the sale requirement is sent to the date on which the affected Notes are sold. There can be no assurance that a holder of Notes, or an interest therein, who is required to sell Notes, or whose Notes are sold on his behalf (in this way) will not incur a significant loss as a result of the need for the Issuer, or for the transferor, to find a qualifying transferee willing to purchase the Notes. Neither the Issuer, the Trustee nor any other party shall be liable to a holder for any such loss.

No sale of Legended Notes in the United States to any one Purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the Purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes (other than Non-U.S. Registered Notes).

Uncertificated Notes which are, in each case, designated in the Final Terms as Permanently Restricted Notes, or any interest therein, may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised. Uncertificated Notes may not be legally or beneficially owned at any time by any U.S. Person and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S.

Uncertificated Notes which are, in each case, not designated as Permanently Restricted Notes, or any interest therein, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from the registration requirements of the Securities Act in a transaction that will not cause the Issuer or the Guarantor, as the case may be, to become required to register under the Investment Company Act.

#### **Transfer Restrictions Applicable to Non-U.S. Registered Notes**

Each Purchaser of Non-U.S. Registered Notes will be deemed or required, as the case may be, to acknowledge, represent and agree as follows:

- (i) that it is outside the United States and is not a U.S. Person (each as defined in Regulation S), and that if it should resell or otherwise transfer the Notes it will do so only outside the United States in an offshore transaction in compliance with Rule 903 or Rule 904 under the Securities Act to a person that is not a U.S. Person and in accordance with all applicable U.S. securities laws, and it acknowledges that the Non-U.S. Registered Notes will bear a legend to the following effect:

“THIS SECURITY AND ANY GUARANTEE THEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND NEITHER THE ISSUER NOR ANY COMPARTMENT HAS REGISTERED, NOR WILL IT REGISTER, AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THIS SECURITY AND ANY INTEREST HEREIN MAY NOT BE OFFERED OR SOLD EXCEPT AS SET OUT BELOW.

THIS SECURITY IS BEING OFFERED AND SOLD IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. THIS SECURITY, OR ANY INTEREST HEREIN, MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, REDEEMED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, A **U.S. PERSON**) AND ANY OFFER, SALE, RESALE, TRADE, PLEDGE, REDEMPTION, TRANSFER OR DELIVERY MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WILL NOT BE RECOGNISED. THIS SECURITY, OR ANY INTEREST HEREIN, MAY NOT BE LEGALLY OR BENEFICIALLY OWNED AT ANY TIME BY ANY U.S. PERSON (AS DEFINED IN REGULATION S) AND ACCORDINGLY IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS IN RELIANCE ON REGULATION S.

BY ITS PURCHASE OF THIS SECURITY OR ANY INTEREST HEREIN, EACH PURCHASER WILL BE DEEMED OR REQUIRED, AS THE CASE MAY BE, TO HAVE AGREED THAT IT MAY NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY OR ANY INTEREST HEREIN HELD BY IT EXCEPT OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON.”;

- (ii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (iii) that the Issuer reserves the right to redeem, or transfer on behalf of the holder of any Note that is held by, or for the account or benefit of, any U.S. Person. No payments will be made on the affected Notes from the date notice of the sale requirement is sent to the date on which the affected Notes are sold. There can be no assurance that a holder of Notes, or an interest therein, who is required to sell Notes, or whose Notes are sold on his behalf (in this way) will not incur a significant loss as a result of the need for the Issuer, or for the transferor, to find a qualifying transferee willing to purchase the Notes. Neither the Issuer, the Trustee nor any other party shall be liable to a holder for any such loss.

### **Selling Restrictions: Jurisdictions outside the European Economic Area**

#### **UNITED STATES**

The Notes and any Guarantee have not been and will not be registered under the Securities Act and unless otherwise specified in the applicable Final Terms, the Notes are being offered and sold pursuant to the registration exemption contained in Regulation S under the Securities Act. No Non-U.S. Registered Notes, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised. Non-U.S. Registered Notes may not be legally or beneficially owned at any time by any U.S. Person and accordingly are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

If specified in the applicable Final Terms, certain issues of Registered Notes may be offered and sold in the United States. Such Registered Notes (other than Non-U.S. Registered Notes) may only be offered and sold to persons reasonably believed to be QIBs that are also QPs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Such Registered Notes (other than Non-U.S. Registered Notes) may concurrently be offered and sold to non-U.S. Persons in offshore transactions in reliance on Regulation S. For further information on certain restrictions on resale, transfer, exercise and redemption of Registered Notes, see "*Transfer Restrictions*."

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code.

Any offers and sales of Registered Notes (other than Non-U.S. Registered Notes) in the United States will only be made by dealers that are registered broker-dealers under Section 15 of the Exchange Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree, that it will not offer, sell or, in the case of Notes in bearer form, deliver Notes (a) as part of its distribution at any time or (b) otherwise 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by the Issuing and Paying Agent to such Dealer or Purchaser (as the case may be) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager within the United States or to, or for the account or benefit of, U.S. Persons except in compliance with Rule 144A under the Securities Act and it will have sent to each Dealer or Purchaser to which it sells Notes during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements

of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Dealers may arrange for the resale of Registered Notes (other than Non-U.S. Registered Notes) to QIBs that are also QPs pursuant to Rule 144A and each such Purchaser of such Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB that is also a QP pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of such Notes and to prospective Purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issue of Index Linked Notes, Commodity Linked Notes and Dual Currency Notes may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Purchaser may agree, as indicated in the applicable Final Terms. Each Dealer has agreed and each other Purchaser will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions. The Dealers may require prospective Purchasers of the Notes to provide a certificate substantially in the form attached to the Operating and Administrative Procedures Memorandum evidencing such Purchaser's eligibility to purchase such Notes and compliance with the relevant selling restrictions.

Uncertificated Notes which are, in each case, designated in the Final Terms as Permanently Restricted Notes, or any interest therein, may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised. Uncertificated Notes may not be legally or beneficially owned at any time by any U.S. Person and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in reliance on Regulation S.

Uncertificated Notes which are, in each case, not designated as Permanently Restricted Notes, or any interest therein, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from the registration requirements of the Securities Act in a transaction that will not cause the Issuer, the Guarantor or any Compartment, as the case may be, to become required to register under the Investment Company Act.

#### **JAPAN**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the **FIEA**). The Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, 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 Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### **SWITZERLAND**

The Dealer agrees, and each further Dealer appointed under the Programme and each other Purchaser will be required to agree, that, it will comply with (i) any laws, regulations or guidelines applicable in Switzerland (as amended from time to time) in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in or from Switzerland in respect of such Notes, as well as (ii) the requirements in respect of the distribution of CHF SIS Notes set out in Condition 1(a) to 1(g) of the Terms and Conditions of the Notes.

### **Selling Restrictions: Jurisdictions within the European Economic Area**

**The selling restrictions below may not be applicable in the context of a public offer, in which case appropriate modifications will be made in the applicable Final Terms.**

#### ***European Economic Area: Public Offer Selling Restriction under the Prospectus Directive***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that 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;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive or, in respect of Sweden, the term qualified investor as defined in the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*);
- (iii) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including amendments made by the 2010 PD Amending Directive, to the extent that such amendments have been implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### **UNITED KINGDOM**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of

investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or, in the case of the Guarantor, would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **BELGIUM**

Belgium has implemented the Prospectus Directive and the section “European Economic Area” above is applicable to any offer in Belgium.

With regard to Short Term Notes, 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 (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) (**FSMA**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it shall refrain from taking any action that would be characterised as a public offering of these Short Term Notes in Belgium in accordance with the law of 16 June 2006 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.

## **SPAIN**

Neither the Notes nor this Base Prospectus have been authorized or registered in the administrative registries of the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*) (**CNMV**). Accordingly, the Notes may not be offered, sold or re-sold in Spain or the Notes be otherwise promoted in Spain -whether through information or dissemination in media directed at the public in general or through individual promotions- and any prospectus or any other offering or publicity material relating to the Notes may not be distributed in Spain, except in circumstances which do not constitute a public offering of securities in Spain (or which otherwise qualify as an exception permitted) within the meaning of Article 30-bis of the Spanish Securities Market Law of July 28, 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), the Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005 de 4 de noviembre*), both as amended and restated, and any supplemental or complementary rules enacted thereunder or in substitution thereof from time to time.

## **FRANCE**

Each of the Dealer and the Issuer has represented and agreed that, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des Marchés Financiers* (the **AMF**), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the EEA which has implemented the EU Prospectus Directive No. 2003/71/EC (as amended, (including by Directive 2010/73/EU, to the extent that such amendments have been implemented in a Member State of the EEA), on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus, in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

(ii) Private placement in France:

in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

## ITALY

Unless it is specified within the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Notes has not been registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or **CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of the Base Prospectus, of any Final Terms or of any other document relating to the Notes be distributed, made available or advertised in the Republic of Italy, except:

- (i) to **Qualified Investors** (*investitori qualificati*), as defined pursuant to Article 100, first paragraph, letter a) of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on offers to the public of financial products pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

### **Provisions relating to the secondary markets in Italy**

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, article 100-bis of the Financial Services Act affects the transferability of the Notes to the extent that any placing of the Notes is made solely with Qualified Investors and such Notes are then systematically resold to non-Qualified Investors on the secondary market at any time in the 12 months following such placing and no exemption under (iii) above applies. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase null and void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Financial Services Act applies.

## THE GRAND DUCHY OF LUXEMBOURG

In relation to the Grand Duchy of Luxembourg (**Luxembourg**), which has implemented the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when



securities are offered to the public or admitted to trading (the **Prospectus Directive**) (as amended, (including by Directive 2010/73/EU) to the extent that such amendments have been implemented in a Member State of the EEA) by the Luxembourg act dated 10 July 2005 relating to prospectuses for securities (the **Prospectus Act 2005**), the Dealer represents and agrees, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms to the public in Luxembourg, except that it may make an offer of such Notes to the public in Luxembourg:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to articles 5.2 (in relation to Notes other than the Short Term Notes) and 30.2 (in relation to Short Term Notes) of the Prospectus Act 2005 in Luxembourg (a Non-exempt Offer), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the *Commission de surveillance du secteur financier* (the **CSSF**), as competent authority in Luxembourg or, where appropriate, approved in another Member State of the European Economic Area which has implemented the Prospectus Directive and notified to the CSSF, *provided that* the Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Act 2005, in the period beginning and ending on the dates specified in the Base Prospectus or the Final Terms, as applicable;
- (ii) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and retirement funds and their management companies, insurance companies and commodity dealers as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities);
- (iii) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations);
- (iv) at any time, to any legal entities which have two or more of (i) an average number of employees during the financial year of at least 250, (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turnover of more than EUR 50,000,000, as shown in their last annual or consolidated accounts;
- (v) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Prospectus Act 2005) recorded in the register of natural persons or small and medium sized enterprises considered as qualified investors as held by the CSSF;
- (vi) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Act 2005) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (vii) at any time, in any other circumstances falling within articles 5.2 (in relation to Notes other than the Short Term Notes) and 30.2 (in relation to Short Term Notes) of the Prospectus Act 2005,

*provided that* no such offer of Notes referred to in (ii) to (vii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to articles 5 (in relation to Notes other than the Short Term Notes) and 30 (in relation to Short Term Notes) of the Prospectus Act 2005 or supplement a prospectus pursuant to articles 13 (in relation to Notes other than the Short Term Notes) and 39 (in relation to Short Term Notes) of the Prospectus Act 2005.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in Luxembourg means the communication in any form by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to these Notes.

## **SWEDEN**

The Dealer has represented and agreed, and each further Dealer appointed under the Base Prospectus will be required to represent and agree, that it will not, directly or indirectly, offer for subscription or purchase or issue

invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that 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*).

#### **THE NETHERLANDS**

The Dealer has represented and agreed and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that any Notes with a maturity of less than twelve (12) months will either have a minimum denomination of €50.000 or be offered in The Netherlands to professional market parties as defined in the Financial Supervision Act (*Wet op het financieel toezicht*) and the decrees issued pursuant thereto.

#### **GENERAL**

The Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all relevant laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus or any offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor nor any other Dealer shall have any responsibility therefor.

No representation is made any of the Issuer, the Guarantor or any of the Dealers that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

With regard to each Tranche, the relevant Purchaser will be required to comply with such other restrictions as the Issuer and the relevant Purchaser shall agree and as shall be set out in the applicable Final Terms and relevant syndication agreement (if applicable).

## GENERAL INFORMATION

### Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme.

The publication of this Base Prospectus has been approved by a circular resolution of the board of directors of the Issuer.

### 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 for the purposes of article 5.4 of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for Notes (other than Short Term Notes) issued under the Programme during the period of 12 months from the date of publication of this Base Prospectus 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 of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des Marchés Financiers*.

### Availability of Documents

For the period of 12 months following the date of approval of this Base Prospectus, copies of the following documents will, when published, be available for inspection during normal business hours from the head office of each of the Trustee, Societe Generale, the Issuer and from the specified office of each of the Paying Agents for the time being in Luxembourg, New York and Paris, in each case at the address given at the end of this Base Prospectus:

- (i) copies of the *statuts* of Societe Generale (with English translations thereof) and the Articles of Incorporation of Codeis Securities SA;
- (ii) the English version of the 2012 Registration Document of Societe Generale (which contains, *inter alia*, the audited annual consolidated financial statements of Societe Generale for the financial year ended 31 December 2011 and the related notes and audit report), the First Update to the 2012 Registration Document and the English version of the 2011 Registration Document of Societe Generale (which contains, *inter alia*, the audited annual consolidated financial statements of Societe Generale for the financial year ended 31 December 2010 and the related notes and audit report);
- (iii) the annual audited financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011;
- (iv) the Programme Agreement, the Collateral Management Agreement, the Custody Agreement, the Portfolio Management Deed (if any), the Disposal Agency Agreement, the Agency Agreement (which includes, *inter alia*, the form of the Swiss Paying Agency Agreement), the EUI Agency Agreement (if any), the Voting Agency Agreement, the Repurchase Agreement and the Trust Deed (which includes, *inter alia*, the Guarantee, the forms of the Global Notes (including Registered Global Notes), Receipts, Coupons and Talons and Notes in definitive form);
- (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus and any other documents incorporated herein or therein by reference;
- (vi) each Final Terms (save that Final Terms relating to Private Placement Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or Paying Agent as to its holding of such Notes and identity);

- (vii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a syndication agreement, the syndication agreement (or equivalent document).

In addition, this Base Prospectus, documents incorporated by reference herein and any Final Terms relating to Notes admitted to trading on the Luxembourg Stock Exchange's regulated market as aforementioned will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

#### **No Material Adverse Change**

There has been no material adverse change in the prospects of Codeis Securities SA or Societe Generale and its consolidated subsidiaries (taken as a whole) since their last respective audited financial statements dated 31 December 2011.

#### **No Significant Change**

There has been no significant change in the financial or trading position of Codeis Securities SA or Societe Generale and its consolidated subsidiaries (taken as a whole) since their last respective audited financial statements dated 31 December 2011.

#### **Litigation**

Neither Codeis Securities SA nor Societe Generale is or has been involved in any governmental, litigation, arbitration or administrative proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering at least 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on Codeis Securities SA's or Societe Generale's financial position or profitability, as applicable.

#### **Clearing Systems**

(a) *Notes other than EUI Notes*

The Notes have been accepted for clearance through Euroclear France or Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear France or Euroclear and/or Clearstream, Luxembourg will be contained in the applicable Final Terms. Notes may be held through additional or alternative clearing systems (including, without limitation, SIX SIS Ltd or Euroclear Sweden AB), in which case the appropriate information will be contained in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms.

The address of Euroclear is 1, boulevard du Roi Albert II, B-1210, Brussels, Belgium; the address of Clearstream, Luxembourg is 42, avenue J F Kennedy, L-1855, Luxembourg The address of DTC is 55 Water Street, New York NY 10041-0099, USA.

(b) *EUI Notes settled in EUI*

The EUI Notes shall be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. Title to the EUI Notes is recorded on the relevant register of corporate securities maintained by EUI.

All transactions (including transfers) in the open market or otherwise must be effected through an account with EUI (which is the entity in charge of keeping the records). The appropriate ISIN for each Tranche of EUI Notes allocated by EUI will be specified in the applicable Final Terms. If the EUI Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of EUI is Euroclear UK & Ireland Limited (formerly CRESTCo Limited), 33 Cannon Street, London EC4M 5SB.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Purchaser(s) at the time of issue in accordance with prevailing market conditions.

### **Auditors**

#### *Société Générale*

For the financial year ended 31 December 2010, the consolidated financial statements of Société Générale were audited, without qualification, and prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006, by Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by MM. Damien Leurent and Jean-Marc Mickeler, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France.

For the financial year ended 31 December 2011, the consolidated financial statements of Société Générale were audited, without qualification, and prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006, by Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, 1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr. Jean-Marc Mickeler, 185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France.

The auditors of Société Générale have no material interest in Société Générale.

The auditors of Codeis Securities SA are Ernst & Young who have audited Codeis Securities SA's accounts, without qualification, in accordance with generally accepted auditing standards in Luxembourg, for the period ending on 31 December 2010.

The auditors of Codeis Securities SA have no material interest in Codeis Securities SA.

### **Post issuance information**

Except as otherwise required by applicable law (including, without limitation, in the case of Rule 144A Notes, as reflected in the Trust Deed), the Issuer does not intend to provide post issuance transaction information in relation to any Notes, the performance of the Compartment Assets, the Supplementary Assets (if any) or any assets underlying issues of Notes constituting derivative securities, except if required by any applicable laws and regulations.

### **Dealers engaging in business activities with the Issuer and the Guarantor**

Certain of the Dealers and their affiliates have engaged, and may engage in the future, in investment banking and/or commercial banking transactions and/or investment activities with the Issuer, the Guarantor and its affiliates, and may, in the ordinary course of their business, provide services to the Issuer, the Guarantor and their affiliates.

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